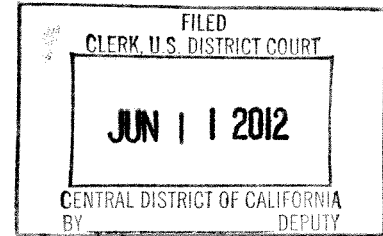


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 UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT
 FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,)	No. CV 2: 11-3582-GW-SS
)	
Plaintiff,)	Hon. George H. Wu
)	
vs.)	SECOND AMENDED VERIFIED
)	COMPLAINT FOR FOREFEITURE
)	IN REM
ONE WHITE CRYSTAL-COVERED "BAD)	
TOUR" GLOVE AND OTHER MICHAEL)	
JACKSON MEMORABILIA;)	
REAL PROPERTY LOCATED ON)	
SWEETWATER MESA ROAD IN MALIBU,)	
CALIFORNIA; ONE 2011 FERRARI)	
599 GTO,)	
)	
Defendants.)	

1 Plaintiff United States of America, by and through its
2 undersigned attorneys, in a case of forfeiture in rem, alleges
3 that:
4

5 I.

6 NATURE OF THE ACTION

7 1. This is an action *in rem* to forfeit approximately \$32
8 million in real and personal property held for the benefit of
9 Teodoro Nguema Obiang Mangue ("Nguema"), the Second Vice
10 President of Equatorial Guinea for National Defense and State
11 Security, and the son of the President of Equatorial Guinea.
12 This action seeks forfeiture of property that was derived from
13 violations of U.S. and foreign law pursuant to 18 U.S.C. §
14 981(a)(1)(C), and property involved in a money laundering
15 offense in violation of 18 U.S.C. §§ 1956 and 1957 pursuant to
16 18 U.S.C. § 981(a)(1)(A). The defendants *in rem*, obtained
17 through the abuse of public office and illegally laundered
18 through financial institutions and businesses in the United
19 States, are believed to be currently located, or were previously
20 located at the time this action was originally filed, within the
21 Central District of California.
22
23
24

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27 ///

II.

THE DEFENDANTS IN REM

A. One White Crystal-Covered "Bad Tour" Glove and Other Michael Jackson Memorabilia

2. The defendant White Crystal-Covered "Bad Tour" Glove and miscellaneous other Michael Jackson memorabilia (hereinafter "defendant memorabilia" or "defendant Michael Jackson memorabilia") are listed in Attachments A-1, A-2, and A-3 hereto. These items are believed to have been located at the defendant real property located on Sweetwater Mesa Road, Malibu, California, described below and in Attachment B hereto, at the time this action was originally filed.

B. Real Property Located on Sweetwater Mesa Road, Malibu, California

3. The defendant real property, as more fully described in Attachment B hereto, is titled in the name of Sweetwater Malibu, LLC; is located on Sweetwater Mesa Road, Malibu, California, and includes all appurtenances, improvements, and attachments thereon, as well as all leases, rents, and profits derived therefrom (hereinafter "Sweetwater property" or "defendant real property").¹

///

///

¹ Pursuant to Local Rule 79-5.4(e), home addresses have been omitted from this complaint.

1 C. 2011 Ferrari

2 4. The defendant 2011 Ferrari is described as follows:
3 One 2011 Ferrari 599 GTO, VIN ZFF70RCA6B0176109, its tools and
4 appurtenances (hereinafter "defendant 2011 Ferrari").
5

6 5. The defendant 2011 Ferrari is titled in the name of
7 Teodoro Nguema Obiang and was located at the Sweetwater property
8 at the time this action was originally filed. At present, it is
9 in the possession of the United States.
10

11 6. The following may have interests in the defendants *in*
12 rem: Teodoro Nguema Obiang Mangue.

13 7. The defendant Michael Jackson memorabilia, Sweetwater
14 property, and 2011 Ferrari are collectively referred to as "the
15 defendant assets."
16

17 III.

18 JURISDICTION AND VENUE

19 8. The United States brings this action *in rem* in its own
20 right to forfeit and condemn the defendant assets. This Court
21 has jurisdiction over an action commenced by the United States
22 under 28 U.S.C. § 1345, and over an action for forfeiture under
23 28 U.S.C. § 1355(a).
24

25 9. This Court has *in rem* jurisdiction over the defendant
26 assets under 28 U.S.C. § 1355(b).
27

28 ///

1 10. Venue is proper in this district pursuant to 28 U.S.C.
2 § 1355(b)(1) because the acts or omissions giving rise to the
3 forfeiture occurred in this district, and pursuant to 28 U.S.C.
4 § 1395 because the defendant assets are or were located in this
5 district at the time this action was originally filed. For
6 assets removed from this district to a location outside of the
7 United States, venue is also appropriate pursuant to 28 U.S.C. §
8 1355(b)(2).

9
10
11 11. The defendant real property has not been seized but is
12 located within this district and within the jurisdiction of this
13 Court. The United States does not request authority from the
14 Court to seize the defendant real property at this time. The
15 United States will, as provided by 18 U.S.C. §§ 985(b)(1) and
16 (c)(1):
17

- 18 • Post notice of this action and a copy of the Second
19 Amended Complaint on the defendant real property;
- 20 • Serve notice of this action on the defendant real
21 property's owner, and send such a notice to any other
22 person or entity who has claimed an interest in the
23 defendant real property, along with a copy of this
24 Second Amended Complaint;
- 25 • If necessary, request and execute a writ of entry for
26 purposes of conducting an inspection and inventory of
27
28

1 the defendant real property.

2 IV.

3 BASIS FOR FORFEITURE

4
5 12. The defendant assets are subject to forfeiture
6 pursuant to 18 U.S.C. § 981(a)(1)(C) because they are property
7 constituting or derived from proceeds traceable to an offense
8 constituting a "specified unlawful activity." Specified
9 unlawful activities are defined in 18 U.S.C. § 1956(c)(7) and
10 include: (i) foreign offenses involving "extortion"; (ii)
11 foreign offenses involving "the misappropriation, theft, or
12 embezzlement of public funds by or for the benefit of a public
13 official"; (iii) foreign offenses involving bribery of a public
14 official; and (iv) domestic bank fraud in violation of 18 U.S.C.
15 § 1344. See 18 U.S.C. §§ 1956(c)(7)(B)(ii), 1956(c)(7)(B)(iv),
16 and 1956(c)(7)(A) (incorporating by reference offenses
17 enumerated in 18 U.S.C. § 1961(1)).
18
19

20 13. The defendant assets are also subject to forfeiture
21 pursuant to 18 U.S.C. § 981(a)(1)(A) because they constitute
22 property involved in a transaction or an attempted transaction
23 in violation of 18 U.S.C. § 1957, or are property traceable to
24 such assets. Section 1957 prohibits the conducting of a
25 monetary transaction with property known to be the proceeds of
26 unlawful activity with a value greater than \$10,000, i.e., the
27
28

1 proceeds of (i) a foreign offense involving extortion, (ii) a
2 foreign offense involving the misappropriation, theft, or
3 embezzlement of public funds by or for the benefit of a public
4 official, (iii) a foreign offense involving bribery of a public
5 official, and (iv) domestic bank fraud in violation of 18 U.S.C.
6 § 1344. See 18 U.S.C. §§ 1956(c)(7)(B)(ii), 1956(c)(7)(B)(iv),
7 and 1956(c)(7)(A) (incorporating by reference offenses
8 enumerated in 18 U.S.C. § 1961(1)).
9

10
11 14. The defendant real property and memorabilia are also
12 subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A)
13 because they constitute property involved in a transaction or an
14 attempted transaction in violation of 18 U.S.C. § 1956(a)(1)(B),
15 or are property traceable to such assets. Section 1956(a)(1)(B)
16 prohibits the conducting of a financial transaction with
17 property known to be the proceeds of unlawful activity with the
18 intent to conceal the nature, location, source, ownership, or
19 control of proceeds of a specified unlawful activity, i.e., (i)
20 a foreign offense involving extortion, (ii) a foreign offense
21 involving the misappropriation, theft, or embezzlement of public
22 funds by or for the benefit of a public official, (iii) a
23 foreign offense involving bribery of a public official, and (iv)
24 domestic bank fraud in violation of 18 U.S.C. § 1344. See 18
25 U.S.C. §§ 1956(c)(7)(B)(ii), 1956(c)(7)(B)(iv), and
26
27
28

1 1956(c)(7)(A) (incorporating by reference offenses enumerated in
2 18 U.S.C. § 1961(1)).

3
4 15. The defendant real property is also subject to
5 forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A) because it
6 constitutes property involved in a transaction or an attempted
7 transaction in violation of 18 U.S.C. § 1956(a)(1)(A)(i), or is
8 property traceable to such assets. Section 1956(a)(1)(A)(i)
9 prohibits the conducting of a financial transaction with
10 property known to be the proceeds of unlawful activity with the
11 intent to promote the carrying on of specified unlawful
12 activity, i.e., bank fraud. See 18 U.S.C. § 1956(c)(7)(A)
13 (incorporating by reference offenses enumerated in 18 U.S.C.
14 § 1961(1)).
15

16
17 16. The foreign offenses listed above are criminalized
18 under the law of Equatorial Guinea ("E.G.") by the following
19 provisions of the Spanish Penal Code in force in 1968, which is
20 the current body of criminal law in E.G.: Article 131 (abuse of
21 public office); Article 196 (expropriation of assets by a
22 public official); Article 198 (taking advantage of official
23 position to exercise a profession or involve oneself in a
24 business directly related to scope of official duties); Articles
25 200 & 202 (collection of illegal taxes); Article 385
26 (prohibiting public officials from demanding or accepting bribes
27
28

1 to perform a crime); Article 386 (prohibiting public officials
2 from demanding or accepting bribes to perform an unjust act);
3 Article 387 (prohibiting public officials from soliciting
4 improper gifts); Article 390 (prohibiting public officials from
5 receiving improper gifts); Article 394 (prohibiting public
6 officials from stealing public funds); Article 396 (prohibiting
7 public officials from embezzling funds under his care); Article
8 400 (prohibiting public officials from defrauding the state);
9 Article 401 (criminal conflict of interest by a public
10 official); Article 404 (prohibiting public officials from taking
11 part in for-profit transactions within the limits of their
12 jurisdiction); Article 493 (criminal threats); Article 496
13 (unlawful compulsion); Article 503 (forcibly requiring someone
14 to sign, grant or quit claim a public instrument or document);
15 Article 514 (theft); and Articles 528 and 533 (fraud). English
16 translations of these provisions are set forth in Attachment C.
17
18
19

20 V.

21 FACTS

22 17. On information and belief, the United States alleges
23 the following facts.
24

25 A. Relevant Names, Entities, and Terms

26 18. The following individuals, entities, and terms are
27 relevant to this Complaint.
28

1 **Teodoro Nguema Obiang Mangue ("Nguema")** is the
2 beneficial owner of the defendant assets, son of the
3 President of E.G., and the Second Vice President of
4 E.G. From 1998 to May 20, 2012, Nguema was E.G.'s
5 (1) Minister of Forestry and Agriculture and (2)
6 Minister of Forestry and Infrastructure. On May 21,
7 2012, Nguema was appointed by his father to be
8 E.G.'s Second Vice President.

9 **Teodoro Nguema Obiang Mbasogo** is the President of
10 E.G.

11 **Inner Circle:** A small number of individuals who
12 hold critical positions of political and economic
13 power in E.G.

14 **Senate Permanent Subcommittee on Investigations**
15 **Report ("PSI Report"):** Report issued in July 2004 by
16 the United States Senate Permanent Subcommittee on
17 Investigations ("PSI") on money laundering and
18 foreign corruption, which focused in part on money
19 brought to Riggs National Bank in the United States
20 that was suspected of being proceeds of corruption
21 in E.G.

22 **Riggs National Bank** was the financial institution in
23 Washington, D.C., where the government of E.G. and
24 members of the Inner Circle maintained depository
25 accounts from 1995 to 2004. Riggs was convicted in
26 2004 of violations of 31 U.S.C. §§ 5322 and 5318(g)
27 and agreed to pay a \$16 million criminal fine and a
28 \$25 million civil penalty for failure to report
suspicious transactions by high-risk customers,
including the E.G. and other accounts.

Michael J. Berger is a California lawyer who
assisted Nguema in opening and utilizing bank
accounts at Bank of America, Union Bank of
California, Commercial Capital Bank and Citibank in
the names of various California corporations,
including Beautiful Vision, Inc. and Unlimited
Horizon, Inc., between 2004 and 2008. Berger
assisted Nguema in forming both of these shell
corporations.

1 **George Nagler** is a California lawyer who represented
2 Nguema in purchasing the Sweetwater property.
3 Nagler assisted Nguema gain access to the U.S.
4 banking system by opening bank accounts at Union
5 Bank of California, California National Bank and
6 Pacific Mercantile Bank in the name of various
7 California corporations, including Sweetwater
8 Management, Inc. and Sweet Pink, Inc. In addition,
9 Nagler assisted Nguema in forming both of these
10 shell corporations, as well as Sweetwater Malibu,
11 LLC, in which the Sweetwater property is titled.

12 **Somagui Forestal (Societe Madeira Guinea)** is a
13 subsidiary of Grupo Sofona. Both entities are E.G.
14 companies owned by Nguema through which Nguema has
15 siphoned money from the E.G. Government and received
16 illegal payments and bribes. Nguema used accounts
17 in various E.G. banks in the name of Somagui
18 Forestal to purchase and maintain assets all over
19 the world, including some of the defendant assets.

20 **B. Background**

21 19. Equatorial Guinea is a West African country. The
22 population in 2009 was approximately 680,000.

23 20. The country was colonized by the Portuguese in the
24 late 1600s and ceded to Spain in 1778; it gained independence in
25 1968. The first President was Francisco Macías Nguema.

26 21. In 1979, Macías Nguema was overthrown in a coup d'état
27 by his nephew, Teodoro Obiang Nguema Mbasogo, the military
28 governor of Bioko Island and Vice-Minister of the Armed Forces.
President Macias was killed soon thereafter and Teodoro Obiang
became President of Equatorial Guinea (hereinafter "President
Obiang").

1 22. More than three decades after seizing control from his
2 uncle, President Obiang is still in power.

3 23. President Obiang exercises plenary control over the
4 Government of Equatorial Guinea. Nearly all positions of
5 political and economic power in E.G. are held by the Inner
6 Circle, many of whom are relatives of the President.

7 24. One member of the Inner Circle is Teodoro Nguema
8 Obiang Mangué, President Obiang's eldest son, who has been
9 appointed by his father to various positions within the
10 government, including Second Vice President for National Defense
11 and State Security (May 21, 2012 to Present) and Minister of
12 Forestry and Agriculture (1998-2012) (at times, this position
13 was entitled Minister of Forestry and Infrastructure). Nguema
14 is the beneficial owner of the defendant assets.

15 25. During President Obiang's more than 30-year rule,
16 members of the Inner Circle, including Nguema, have amassed
17 extraordinary wealth through a variety of corrupt schemes. The
18 U.S. Department of State in May 2012 issued a public report
19 concluding that, for the year 2011:

20 Laws [in E.G.] provide severe criminal penalties for
21 official corruption; however, the government did not
22 implement these laws effectively, and officials frequently
23 engaged in corrupt practices with impunity. Corruption
24 continued to be a severe problem. The presidency and prime
25 minister's office were the lead agencies for anticorruption
26 efforts. The president and members of his inner circle

1 continued to amass personal profits from the oil windfall.

2 26. Under E.G. law, the nation's mineral resources and
3 hydrocarbons belong to the public, not to individuals. See Ley
4 No 8/2006, de fecha 3 de noviembre de Hidrocarburos de la
5 Republica de Guinea Ecuatorial. Similarly, Equatoguinean law
6 provides that the National Forestry Reserve is permanent,
7 inalienable, and part of the public domain, and that the
8 National Forests are reserved for exclusive economic extraction
9 and development by the State. See Ley No 1/1997, Sobre El Uso Y
10 Manejo De Los Bosques ("Forestry Law").
11
12

13 27. Since the commencement of large-scale extraction of
14 its oil reserves beginning in the mid-1990s, E.G. has become a
15 major oil and gas producer. By 2004, it was the third-largest
16 oil and gas producer in Sub-Saharan Africa. Over the last
17 several years, oil and gas exports have resulted in billions of
18 dollars in annual revenue.
19

20 28. Equatorial Guinea also derives income from natural
21 resources other than oil and gas, primarily timber, its second
22 major export commodity.
23

24 29. As of 2006, the Equatoguinean economy had grown 20
25 times larger than it was in the mid-1990s, reflecting the
26 massive revenues derived primarily from oil and gas production.
27
28

1 30. Despite E.G. laws regarding public ownership of its
2 natural resources, and despite an extraordinary expansion in the
3 E.G. economy, living standards of the general population remain
4 at a subsistence level.
5

6 31. At the same time, over the last several years, Nguema
7 and other members of the Inner Circle have gained enormous
8 wealth through violations of E.G. law, including extortion,
9 bribery and the misappropriation, theft, and embezzlement of
10 public funds. Details concerning these illegal, corrupt acts
11 are set forth below at paragraphs 48-93.
12

13 32. In order to maintain the defendant assets, Nguema,
14 Michael J. Berger ("Berger"), and George Nagler ("Nagler"), and
15 others engaged in a conspiracy to commit bank fraud against
16 financial institutions in the United States. Millions of
17 dollars in bank fraud proceeds, as detailed in paragraphs 102-
18 209, were used in connection with the maintenance and upkeep of
19 the defendant assets.
20

21 **C. Riggs National Bank**
22

23 33. Public corruption in E.G. first received significant
24 public scrutiny in the United States in the mid-2000s, following
25 an investigation conducted by the U.S. Senate's Permanent
26 Subcommittee on Investigations ("PSI"). The 2004 PSI Report
27 revealed that, from at least 1995 to 2004, the Government of
28

1 E.G. directed that payments from oil companies be made into
2 accounts at Riggs National Bank ("Riggs Bank") in Washington,
3 D.C. According to the PSI Report, aggregate deposits to E.G.
4 government accounts totaled hundreds of millions of dollars at a
5 time and were so large that by 2003, the E.G. portfolio had
6 become the bank's largest single customer relationship, with
7 balances and outstanding loans that together approached \$700
8 million. The PSI Report concluded that Riggs Bank "turned a
9 blind eye to evidence suggesting the bank was handling the
10 proceeds of foreign corruption."
11
12

13 34. Beginning in 1995, the Government of E.G., as well as
14 members of the Inner Circle, held personal bank accounts at
15 Riggs Bank. Members of the Inner Circle who held personal bank
16 accounts at Riggs Bank included: Nguema, Constancia Mangué
17 (Nguema's mother), President Obiang (Nguema's father), Melchor
18 Esono Edjo (E.G.'s treasurer and Nguema's cousin), Teodoro
19 Biyogo Nsue (E.G.'s ambassador to the United States and Nguema's
20 uncle), Elena Mensa (Nguema's aunt), Armengol Ondo Nguema (a
21 senior E.G. national security official and Nguema's uncle),
22 Sylvia Nchama Ondo (Nguema's cousin), Pastor Micha Ondo Bile
23 (E.G.'s foreign minister), Baltasar Edjo (E.G.'s minister of
24 economic affairs and finance), Miguel Buiteo Boriko (E.G.'s
25
26
27
28

1 minister of economy), Juan Olo Mba Nseng (E.G.'s minister of
2 mining), and Maria Ondo Mangué (Nguema's cousin).

3
4 35. One such account, in the name of the Republic of
5 Equatorial Guinea General Treasury, was known as the E.G. Oil
6 Account because virtually all of the deposits into this account
7 were payments from foreign oil companies doing business in E.G.

8 36. A withdrawal of funds from the E.G. Oil Account,
9 according to Riggs Bank records, required the signature of
10 President Obiang.

11
12 37. Riggs Bank records show that nearly \$500,000 was sent
13 from the Oil Account to the personal bank account of Melchor
14 Edjo, Nguema's cousin. The records also show that President
15 Obiang approved the wire transfer of nearly \$35 million from the
16 E.G. Oil Account to two companies, Apexside and Kalunga, that
17 appeared to be connected to President Obiang, were unknown to
18 the bank, and had accounts in jurisdictions with stringent bank
19 secrecy laws. When Riggs Bank tried to obtain information about
20 the beneficial owners of these two companies from President
21 Obiang and Edjo at a meeting in Washington, D.C. on February 23,
22 2004, neither would provide Riggs Bank with further information
23 about these entities. That same day, Riggs Bank determined that
24 the E.G. accounts should be closed.
25
26
27
28

1 38. In addition to direct transfers of money from the E.G.
2 Oil Account, Riggs Bank records show deposits of large amounts
3 of cash into accounts controlled by E.G. public officials and
4 their families. In 1999, President Obiang opened a money-market
5 account at Riggs Bank in the name of a Bahamas-registered
6 corporation. From 2000 to 2002, \$11.5 million in cash was
7 deposited into this account. Nguema's mother also maintained
8 personal accounts at Riggs Bank, into which over \$1.4 million in
9 cash was deposited from 2000 to 2002.
10

11
12 39. Riggs Bank closed the E.G. accounts in 2004, and
13 subsequently pleaded guilty to failure to report suspicious
14 monetary transactions by high-risk customers, in violation of 31
15 U.S.C. §§ 5322 and 5318(g). Riggs Bank agreed to pay a \$16
16 million criminal fine and a \$25 million civil penalty, for its
17 handling of the E.G. and other accounts.
18

19 40. In July 2004, after the PSI Report was issued and
20 Riggs Bank closed the E.G. accounts, much of the money held by
21 the Government of E.G. and members of the Inner Circle was
22 removed from the United States. One significant exception was
23 money brought to the United States by Nguema, including tens of
24 millions of dollars ultimately used to purchase and maintain the
25 defendant assets.
26

27 ///
28

1 D. Nguema's Acquisition of Political and Economic Power and
2 Influence in E.G.

3 41. In 1991, at the age of 23, Nguema came to the United
4 States to study English as a Second Language at Pepperdine
5 University in Malibu, California. He did not live on campus;
6 instead, he shuttled between rooms at the Beverly Wilshire Hotel
7 and a house he rented in Malibu. After five months, Nguema
8 dropped out of the program. His tuition and living expenses
9 (including his hotel bill and the rental of the house in Malibu)
10 were paid by Walter Oil and Gas Corporation, an American oil
11 company operating in E.G.
12

13 42. On January 8, 1993, less than two years after he left
14 the Pepperdine program, and despite his youth and inexperience,
15 Nguema was awarded a 20-year concession² to harvest timber from
16 25,000 hectares (approximately 61,000 acres) of rainforest in
17 E.G. by his father, President Obiang. Nguema was 24 years old.
18

19 43. In 1994, Nguema formed a company in E.G. called Grupo
20 Sofona ("Sofona"), which was purportedly a timber company. Four
21 years later in 1998, Nguema informed Riggs Bank that he had
22
23

24 ² A concession is the exclusive right to engage in logging
25 in certain defined areas, for a certain period of time.
26 Forestry concessions in E.G. are awarded by either the President
27 or the Minister of Forestry without competitive bidding.
28 Companies or individuals awarded a concession are permitted to
harvest timber in the concession. They are obliged, however, to
pay the E.G. government for any timber actually extracted from
the concession.

1 formed a second timber company called Somagui Forestal
2 ("Somagui"), a Sofona subsidiary.

3 44. In or around May 5, 1994, Nguema's father granted
4 Sofona a five-year concession to harvest timber from an
5 additional 11,000 hectares (approximately 27,000 acres).
6

7 45. Having granted his son Nguema the right to cut timber
8 on 88,000 acres of national forest lands, President Obiang then
9 put Nguema in charge of regulating E.G.'s forestry industry. In
10 approximately 1998, at the age of 30, Nguema was appointed by
11 his father to the newly created position of "Minister of
12 Forestry and Environment," later changed to "Minister of
13 Forestry and Agriculture" (hereinafter "Minister of Forestry").
14 Nguema used his status as Minister of Forestry (and President
15 Obiang's son) to enrich himself through corrupt schemes, as
16 described below.
17
18

19 46. In the 2000s, the rapid growth of the oil and gas
20 sector in E.G. led to a boom in construction and other
21 infrastructure-related activities. In or around 2003, President
22 Obiang added "infrastructure" to Nguema's cabinet portfolio,
23 appointing Nguema to be E.G.'s first "Minister of Forests and
24 Infrastructure."
25

26 ///

27 ///

1 47. As an E.G. cabinet minister, Nguema's official salary
2 was approximately \$6,799 per month, or less than \$100,000 per
3 year, according to official E.G. sources.

4
5 **E. Nguema's Utilization of Corrupt Schemes to Enrich Himself**

6 48. Nguema engaged in various corrupt schemes to enrich
7 himself and supplement his official government salary. These
8 schemes are illegal under the laws of E.G., but the applicable
9 anti-corruption laws are not enforced against the Inner Circle,
10 including Nguema; instead, members of the Inner Circle,
11 including Nguema, are allowed to keep funds obtained through
12 corruption and to take the proceeds of their corruption abroad.
13 A description of these schemes, and the E.G. penal code
14 provisions that prohibit them, are set forth below.

15
16 **a. Extortion and Bribery Schemes**

17
18 49. Beginning in the 1990s, after he dropped out of
19 Pepperdine and returned to E.G., Nguema began demanding that
20 businesses in E.G. -- especially those located in or around the
21 City of Bata, the largest city and port in Rio Muni (E.G.'s
22 mainland), where Nguema resided -- pay him personal fees to be
23 able to operate. Nguema abused his authority and influence
24 within the E.G. Government both as a member of the cabinet and
25 President Obiang's eldest son to make these demands and to
26 retaliate against those who refused to acquiesce.
27
28

1
2 1. Nguema Required Timber Companies in E.G. to Pay
3 Him a Personal Fee to Obtain Timber Export
4 Licenses

5 50. Timber was E.G.'s second largest export commodity.
6 The forestry sector was supervised and regulated by Nguema's
7 Forestry Ministry.

8 51. In order to export timber from E.G., timber companies
9 were required to, among other things, apply for and obtain
10 timber export licenses from the Forestry Ministry.
11

12 52. At least as early as 1998, these licenses required
13 Nguema's personal signature. Nguema demanded that timber
14 companies, such as Tromad Forestal, an E.G. company, pay him
15 personally in or around ten percent of the value of the wood
16 harvested for export. Nguema refused to sign timber export
17 licenses unless applicants first paid him these personal fees.
18

19 53. Between in or around 1998 and 2003, German Pedro Tomo,
20 the owner of Tromad Forestal and an E.G. national, paid Nguema
21 his personal fees regularly either in suitcases of cash or with
22 personal checks that Tomo deposited directly into a bank account
23 in the name of Somagui at Caisse Commune d'Epargne et
24 d'Investissement ("CCEI Bank"). Tromad Forestal paid Nguema in
25 or around the equivalent of \$700,000 in CFA Francs ("CFAs") per
26 year between 1998 and 2003 in order to export its products.
27
28

1 54. Nguema required other timber companies in E.G. to pay
2 him personally in or around 15,000 CFAs (approximately \$27) per
3 log a company wished to export from E.G.
4

5 55. These personal fees were calculated by technicians on
6 the staff of Nguema's Forestry Ministry.

7 56. Companies that refused to pay Nguema were prevented
8 from exporting their timber from the Port of Bata, where nearly
9 all of E.G.'s timber originated, and incurred additional
10 operational expenses of up to \$5,000 per day for any delays.
11

12 2. Nguema Required Timber Companies in E.G. to Pay
13 Him Personally to Gain Access to E.G.'s National
14 Forests

15 57. Nguema also required timber companies to pay him a
16 personal fee in order to gain access to E.G.'s forests. To
17 harvest timber, companies were required to receive from Nguema's
18 Forestry Ministry either a logging concession or a special
19 permit. To be granted such a permit or concession, Nguema
20 demanded and collected personal fees from companies, such as
21 Isoroy (a French company), ABM (a Spanish company), and
22 Agroforestal (an Italian company). All of these companies' E.G.
23 operations were based in or around Bata.
24

25 58. In 1993, Nguema demanded that Isoroy pay him
26 personally 15 million CFAs (approximately \$21,000) to engage in
27
28

1 logging in E.G. Isoroy obtained a concession to harvest timber
2 from 57,053 hectares of wilderness in E.G. on September 3, 1995.

3 59. Similarly, between in or around 1998 and 2003, Shimmer
4 International Guinea Equatorial Ltd. ("Shimmer"), the E.G.
5 subsidiary of a Malaysian company, was permitted by Nguema to
6 harvest timber anywhere it wished in E.G.'s mainland forests,
7 including national forest reserves protected under E.G.'s
8 Forestry Law from industrial logging. Nguema demanded, and
9 Shimmer's E.G. general manager agreed, that in exchange for
10 paying Nguema 30,000 CFAs (approx. \$50) per cubic meter of
11 timber harvested by Shimmer in E.G., Shimmer would be provided
12 unfettered access to E.G.'s forests, including protected
13 national forests, and would not be required to adhere to E.G.'s
14 Forestry Law and its environmental and forest management
15 regulations.
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19 60. In exchange for paying these personal fees, timber
20 companies, like Shimmer, were permitted to harvest timber from
21 E.G.'s forests with little or no regulatory oversight by
22 Nguema's Forestry Ministry. E.G.'s Forestry Law places strict
23 controls on the manner in which timber is harvested. Among
24 other things, E.G.'s forestry laws regulate the quantity of
25 timber that a company may extract from the forest; restricts
26 timber companies from cutting down certain types of trees; and
27
28

1 even requires loggers to replant areas that have been cut down.
2 As Forestry Minister, Nguema did not require timber companies,
3 like Shimmer, who had paid him the personal fees to adhere to
4 these rules.
5

6 61. Similarly, individuals and entities, that possess
7 timber concessions in E.G., are required under E.G. law to
8 provide for forest regeneration; ensure that raw timber is
9 processed in E.G.; and invest in the local community by building
10 health facilities, churches, and schools. (See Forestry Law,
11 Art. 35). Nguema did not require concessionaires, including
12 himself, his company Sofona, or his mother, all of whom have
13 substantial forestry concessions in E.G., to comply with these
14 rules.
15

16
17 3. Nguema Required Companies in E.G. to Pay Him
18 Personally on an On-Going Basis to Continue to
Operate in E.G.

19 62. Nguema further demanded that timber companies make
20 regular payments to him personally while they maintained active
21 operations in E.G. These companies included Isoroy, ABM,
22 Agroforestal, and a company operated by Filipino nationals
23 ("Company A"). Isoroy, for instance, paid Nguema in or around
24 the equivalent of \$104,000 every one or two months in order to
25 be able to continue to operate in E.G. from 1993 to 1996. This
26
27
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1 fee was calculated based upon the weight of the timber harvested
2 by Isoroy during that time period.

3
4 63. Similarly, in or around May 1996, Nguema demanded that
5 all foreign timber companies then-operating in E.G. pay him a
6 retroactive fee that he called a "tax." This was an illegal tax
7 that Nguema levied personally without authorization from E.G.'s
8 Parliament (*La Camara de Los Representantes*) or Inter-
9 Ministerial Council (*el Consejo Interministerial*), as required
10 under E.G. law. This new so-called "tax" required all foreign
11 timber companies to pay Nguema personally a one-time retroactive
12 fee of 6,400 CFAs (approximately \$10) per cubic meter of timber
13 that had ever been harvested by that entity in E.G.
14

15
16 64. For instance, Nguema demanded that ABM, which began
17 active logging operations in E.G. in the 1970s, pay him the
18 equivalent of approximately \$1,560,000 within four days of this
19 new so-called "tax" being levied.

20
21 65. Nguema required foreign timber companies who refused
22 to pay these so-called "taxes," including Isoroy and ABM, to
23 leave E.G. Other timber companies, including Company A and a
24 Moroccan firm, were permitted to continue to operate in E.G.
25 after they paid Nguema his so-called retroactive "taxes."

26
27 66. Nguema threatened and retaliated against timber
28 companies, including Isoroy and ABM, who refused to submit to

1 his demands for payment. In or around May 1996, Isoroy refused
2 to make any further payments to Nguema. As a result, Nguema
3 prevented Isoroy from harvesting further timber from E.G.'s
4 forests and seized control of Isoroy's assets in E.G., including
5 its heavy machinery, two Caterpillar D7G bulldozers, two
6 Mercedes Benz 1622 construction trucks, a Mercedes Benz 1922/28
7 construction truck, a Mercedes Benz 1522 dump truck, three
8 Toyota utility vehicles, two Mitsubishi L200 vans, a Suzuki
9 vehicle, an Opel Corsa mini, and a Pajero vehicle.
10
11

12 67. Only after Isoroy paid Nguema a monetary ransom did
13 Nguema return this hardware to Isoroy's logistics personnel in
14 Gabon. Nguema charged Isoroy the equivalent of the value of the
15 hard assets.
16

17 68. Similarly, in or around May 1996 when ABM refused to
18 pay Nguema his so-called retroactive "tax," E.G. authorities
19 entered ABM's offices near Bata and forcibly removed ABM
20 personnel from their premises and expelled them from E.G.
21 Nguema required ABM's owner, a Spanish national, to transfer
22 ownership of ABM to Nguema for in or around a third of its
23 actual fair market value in a transaction that Nguema called a
24 "sale." After acquiring ABM, Nguema had ABM's owner arrested in
25 Bata and charged with fraud for charging him an inflated price
26 for the company. ABM's owner was convicted and released only
27
28

1 after paying Nguema the equivalent of \$3 million in so-called
2 civil penalties. ABM's assets, including its heavy machinery
3 and timber logging equipment, were also expropriated by Nguema
4 without further compensation. Nguema required that Shimmer
5 purchase ABM's logging equipment from him at significantly
6 inflated prices.
7

8 69. Nguema also threatened companies and their personnel
9 who refused to acquiesce to his demands for money. In the
10 summer of 1996, Nguema threatened one senior Isoroy employee
11 ("John Doe A") in Bata, promising that he would make him
12 "suffer" because of Isoroy's refusal to pay Nguema money. Soon
13 thereafter, John Doe A was arrested and detained in jail. After
14 being released, Jane Doe A, an E.G. national familiar with
15 Nguema, advised John Doe A to leave E.G. immediately if he did
16 not want his children in Europe to become orphans.
17
18

19 70. Even outside of the forestry sector, Nguema demanded
20 that companies operating in E.G. pay him money and provide him
21 with gifts of cash and other luxury products. For instance, in
22 or around 2003 when "infrastructure" was first added to Nguema's
23 cabinet portfolio, Nguema demanded that Tromad SA Constructions
24 Y Obras ("Tromad"), an E.G. company retained by the E.G.
25 Government to build roads, pay him personally fifteen percent of
26 the value of its government contract. When Tromad refused to
27
28

1 pay Nguema, the E.G. Government stopped making payments to the
2 company and its contract with the E.G. Government was
3 terminated.
4

5 71. Between 2004 and 2007, Nguema's Forestry Ministry
6 demanded that Global Santa Fe Corp. ("GSF"), a U.S.-based oil
7 and gas services company, provide Nguema with gifts and free
8 money. Nguema's ministry staff made these types of requests of
9 GSF personnel one or two times per year. When a manager at
10 GSF's Malabo office refused to make payments, he was threatened
11 by Nguema's staff and shown a document detailing numerous gifts
12 and payments other foreign companies had made to Nguema.
13

14 72. Similarly, between 2004 and 2007, when Nguema held the
15 "infrastructure" portfolio in E.G.'s cabinet, Bouygues, a major
16 French civil engineering firm in E.G. that had obtained several
17 substantial infrastructure contracts from the E.G. Government,
18 built a mansion for Nguema in Malabo, E.G.'s capital, at
19 Nguema's request and direction. Upon completion of that
20 project, Nguema refused to pay Bouygues for its work.
21

22 73. Nguema also has demanded that companies operating in
23 E.G. contribute money to what are described as public service
24 campaigns but which, in fact, were vehicles for Nguema to
25 misappropriate funds for his personal benefit. For example, as
26 recently as July 2011, Nguema operated a program to generate
27
28

1 funds purportedly to improve the housing conditions of the poor
2 by changing palm roofs to ones consisting of zinc tiles. Nguema
3 possesses a substantial financial interest in the company that
4 is responsible for distributing and supplying these zinc tiles
5 in E.G. Although advertisements promoting this campaign claim
6 that contributions to these programs are voluntary, companies
7 that do not contribute to these campaigns face retaliation.
8
9 Companies that have not contributed to the current campaign, for
10 instance, are identified publicly as not having contributed on
11 televised advertisements in E.G. Furthermore, donor
12 contributions are not used for their alleged purpose, but
13 instead are largely misappropriated by Nguema for his personal
14 benefit.
15

16
17 74. Extortion and bribery are illegal under E.G. law. The
18 1968 Criminal Code of Spain, currently in effect in E.G.,
19 contains the following provisions, among others, that prohibit
20 extortion and bribery: Article 131 (abuse of public office);
21 Article 196 (expropriation of assets by a public official);
22 Article 198 (taking advantage of official position to exercise a
23 profession directly related to scope of official duties);
24 Article 200 (collection of illegal taxes); Article 202
25 (demanding payment of unauthorized taxes); Article 385
26 (prohibiting public officials from demanding or accepting bribes
27
28

1 to perform a crime); Article 386 (prohibiting public officials
2 from demanding or accepting bribes to perform an unjust act);
3 Article 387 (prohibiting public officials from soliciting
4 improper gifts); Article 390 (prohibiting public officials from
5 receiving improper gifts); Article 493 (criminal threats);
6 Article 496 (unlawful compulsion); Article 503 (forcibly
7 requiring someone to sign, grant or quit claim a public
8 instrument or document); and Article 514 (theft). See
9 Attachment C.
10
11

12 75. The above-described corrupt schemes violate E.G. law
13 as referenced above.

14 b. Schemes to Obtain Government Funds Through
15 Misappropriation, Embezzlement and Theft

16 76. Nguema has misappropriated, embezzled and stolen
17 government funds and resources in violation of E.G. law. This
18 was accomplished either through direct diversion of funds from
19 the E.G. Government or through schemes such as submitting
20 fraudulently inflated "bids" and invoices for government
21 contracts, in which corruption payments were built directly into
22 the contract.
23

24 ///

25 ///

26 ///

27 ///

1. Nguema Misappropriated E.G. Public Funds By
Receiving Payment for Fraudulently Inflated
Public Construction Contracts

77. Nguema has misappropriated funds from the E.G. Government by receiving tens of millions of dollars in payments from fraudulently inflated construction contracts in E.G.

78. Because government contracts are awarded to companies owned by or associated with members of the Inner Circle without true competition, those companies are able to charge the E.G. Government fees that bear little, if any, rational relationship to the actual economic value of the services or products tendered to the E.G. Government. The bids from such companies include built-in mark-ups of 50 to 500 percent or more, so that members of the Inner Circle can obtain the difference.

79. Nguema has admitted that, as a cabinet minister, he takes for himself a "sizeable part" of government contracts. In 2004, for instance, Nguema claimed that he purchased real estate in Cape Town, South Africa, worth approximately \$8 million with money obtained through government construction contracts awarded to SOCAGE, a highway construction company he owns in E.G. Specifically, in a sworn affidavit filed by Nguema with a court in South Africa, Nguema explained:

Cabinet Ministers and public servants in Equatorial Guinea are by law allowed to owe [sic] companies that, in consortium with a foreign company, can bid for government contracts and should the company be

1 successful, then what percentage of the total cost of
2 the contract the company gets, will depend on the
3 terms negotiated between the parties. But, in any
4 event, it means that a cabinet minister ends up with a
5 sizeable part of the contract price in his bank
6 account.

7 This is how, according to Nguema, he acquired in or around \$8
8 million to purchase his properties in South Africa. Contrary to
9 Nguema's recitation of the law, such self-dealing by a public
10 official is illegal in E.G. These fraudulently inflated
11 contracts are another means by which he, and other members of
12 the Inner Circle, misappropriate funds from the public treasury
13 for their own enrichment.

14 80. Between 2003 and 2007, for instance, Nguema demanded
15 that executives at Company B, one of the largest construction
16 companies in E.G., submit fraudulently inflated construction
17 bids and contracts to G.E. Proyectos, an agency of the E.G.
18 Government in charge of awarding public construction contracts.
19 A portion of these fraudulently inflated contracts was then paid
20 to Nguema. Nguema would ask that Company B executives inflate
21 contract bids by as much as 500 percent. The inflated amount
22 would then be paid by Company B to Nguema. Executives at
23 Company B believed that if they had not acquiesced to Nguema's
24 demands, their company would have been expelled from E.G.

1 81. Specifically, Company B fraudulently inflated certain
2 line items in several different construction bids tendered by
3 the company to G.E. Proyectos. After G.E. Proyectos awarded the
4 contract to Company B, the Banque des Etats de l'Afrique
5 Centrale ("BEAC"), E.G.'s central bank, wired the contract
6 amount to Company B's account in E.G. Company B, in turn, paid
7 Nguema or one of his companies.
8

9 82. Nguema asked that his companies, Somagui and Socage,
10 either (i) be listed as a subcontractor on Company B's bids, so
11 that G.E. Proyectos would know that Nguema was associated with
12 the bid, or (ii) sign a sub-contract with Company B. These sub-
13 contracting claims were fraudulent, as Nguema's companies were
14 paper companies with no significant commercial operations or
15 operational personnel of any kind. In fact, the work and
16 services described in these subcontracts were performed by, and
17 paid for by, Company B, not Somagui, Sofona or SOCAGE. Nguema's
18 companies were merely vehicles through which he could execute
19 fraudulent contracts and receive payments from companies, such
20 as Company B. Company B made hundreds of these types of
21 payments to Nguema between 2003-2007.
22
23
24

25 83. On one occasion, for instance, Nguema asked that
26 Company B submit a bid to build a public construction project to
27 G.E. Proyectos for the equivalent of \$10 million when a bid more
28

1 consistent with business and market norms would have been in or
2 around \$2 million. After this \$10 million contract was awarded
3 to Company B, the company paid Nguema a kickback of \$8 million.
4

5 2. Nguema Stated Publicly to Third Parties That He
6 Intended to Misappropriate Hundreds of Millions
7 of Dollars in State Funds

8 84. Nguema has represented to U.S.-based companies that he
9 possessed both the ability and the intent to divert millions of
10 dollars in E.G. public funds to acquire and pay for personal
11 assets.

12 85. In or around February 2004, Nguema contacted an
13 executive at Ocean Energy, a U.S.-based energy company, and
14 requested that Ocean Energy purchase a C-130 Hercules military
15 transport aircraft from Lockheed Martin, a U.S. defense
16 contractor, for his personal use. A C-130 Hercules transport
17 can cost up to \$65 million. Nguema proposed that Ocean Energy
18 purchase the aircraft on his behalf, and that Ocean Energy, in
19 turn, would be paid by the E.G. Government. Specifically,
20 Nguema advised Ocean Energy that GE Petrol, E.G.'s state-owned
21 oil company, would compensate Ocean Energy for this transaction.
22 Ocean Energy refused to go along with Nguema's scheme.
23
24

25 86. In 2005, Nguema advised an executive at Gulfstream
26 Aerospace Corporation, a U.S.-based aircraft manufacturer, that
27 he could and would have Ocean Energy assume responsibility for
28

1 making the payments on a \$40 million personal jet aircraft that
2 Ocean Energy would acquire on his behalf. These funds would
3 then be credited against balances owed by Ocean Energy to the
4 Government of E.G. In this roundabout manner, Nguema again
5 represented that he intended to misappropriate E.G. Government
6 funds to acquire a \$40 million personal asset. Gulfstream
7 refused to go along with Nguema's scheme to use state resources
8 to acquire personal assets.
9

10
11 3. Nguema Directly Diverted Public Funds to Bank
12 Accounts Under His Direct Control

13 87. Nguema diverted E.G. public resources and monies for
14 his personal use. Since at least as early as 2005, Nguema has
15 maintained public funds and revenue collected by his Forestry
16 Ministry in a separate account (the "Forestry Account") at a
17 private commercial bank in E.G. This is in contrast with the
18 management of other E.G. Government funds, which are maintained
19 by E.G.'s Treasurer at BEAC. No E.G. public official or agency,
20 including E.G.'s Parliament, its Ministry of Finance, and its
21 Treasury, possesses the authority or ability to supervise,
22 regulate or inspect how the funds in the Forestry Account are
23 used.
24

25 88. Other than Nguema's Forestry Ministry, no other E.G.
26 state agency or institution maintains an account like this one.
27
28

1 89. This Forestry Account is used by Nguema to maintain
2 millions of dollars worth of CFAs collected as state revenue by
3 E.G.'s Forestry Ministry from timber companies operating in E.G.
4 The funds in this account include surface taxes paid by all
5 persons who hold forestry concessions in E.G., fees charged to
6 timber companies who harvested logs from such concessions, and
7 official timber export duties collected by the Forestry
8 Ministry. Instead of depositing this revenue into BEAC like
9 other public agencies, Nguema diverted and maintained these
10 public funds in his Forestry Account.
11
12

13 90. As the sole signatory on this Forestry Account, Nguema
14 possesses exclusive authority and control over how the funds in
15 the Forestry Account are used and disbursed.
16

17 91. In 2006, economists and auditors from a United Nations
18 ("U.N.") financial agency were permitted to access and review
19 E.G.'s economic policies and data, including information and
20 records relating to the E.G. Government's financial and fiscal
21 management policies. When U.N. personnel requested that they be
22 permitted to also review and access data and records relating to
23 the Forestry Account, their requests were denied.
24

25 92. E.G.'s Criminal Code prohibits misappropriation,
26 theft, and embezzlement of government funds by government
27 officials. See, e.g., Article 131 (abuse of public office);
28

1 Article 196 (expropriation of assets by a public official);
2 Article 198 (taking advantage of official position to exercise a
3 profession directly related to scope of official duties);
4 Article 394 (prohibiting public officials from stealing public
5 funds); Article 396 (prohibiting public officials from
6 embezzling funds under his care); Article 400 (prohibiting
7 public officials from defrauding the state); Article 401
8 (criminal conflict of interest by a public official); Article
9 404 (prohibiting public officials from taking part in for-profit
10 transactions within the limits of their jurisdiction); Article
11 514 (theft); and Articles 528 and 533 (fraud). See Attachment
12
13 C.
14

15 93. The above-described corrupt schemes violate E.G.'s law
16 as referenced above.
17

18 **F. Nguema Uses Shell Companies in E.G. to Conceal His Criminal**
19 **Conduct and to Mask the True Source of His Illicitly**
20 **Acquired Wealth**

21 94. Having acquired millions of dollars in criminal
22 proceeds from the corrupt schemes described in paragraphs 48-91,
23 Nguema formed shell companies in E.G. to disguise his criminal
24 conduct, conceal the source of his income, and to claim falsely
25 to overseas financial institutions and foreign governments that
26 his income was derived from legitimate commercial activity in
27 E.G. Beginning in the 1990s, Nguema claimed falsely to numerous
28

1 American and European financial institutions (at which he opened
2 bank accounts to funnel and shelter his criminal proceeds) that
3 his companies Sofona and Somagui generated hundreds of millions
4 of dollars in commercial profits. These companies, according to
5 Nguema, exported and marketed hundreds of thousands of cubic
6 meters of timber every year on international markets; were
7 singlehandedly responsible for 69 percent of E.G.'s gross
8 domestic timber production in 2001; and were singlehandedly
9 responsible for 73 percent of E.G.'s construction-related gross
10 domestic product in 2004, building and paving more than 200
11 kilometers of highway in E.G. In fact, as discussed below,
12 these representations are false and Sofona, Somagui, and SOCAGE
13 exist only on paper.

14
15
16
17 95. Neither Sofona nor Somagui engaged in any significant
18 business operations in E.G. They employed few, if any,
19 construction or logging employees and earned no legitimate
20 revenue, let alone on the exceptional scale Nguema has claimed.

21
22 96. Despite efforts to verify the existence of Sofona and
23 Somagui, financial institutions and public agencies in multiple
24 jurisdictions could not confirm Nguema's claims that his
25 companies existed as companies with actual operations and
26 legitimate sources of revenue. For instance:

- 27 (i) In 2002, J. P. Morgan, where Nguema maintained a bank
28 account, sought to obtain more information about Sofona

1 and Somagui. Despite researching local trade directories
2 and reference books, and making numerous inquiries about
3 both companies in E.G., including with the local chamber
4 of commerce, businesses, banks, and authorities, J. P.
5 Morgan personnel in both the United States and the United
6 Kingdom could not confirm that Sofona or Somagui existed,
7 let alone engaged in commercial operations of any kind.
8 Although J. P. Morgan identified a phone number in E.G.
9 associated with Sofona, J. P. Morgan reported that its
10 calls were never answered. In contrast with Nguema's
11 contention that by 2001 these companies singlehandedly
12 controlled nearly 70 percent of E.G.'s timber industry,
13 E.G.'s second most important export, J. P. Morgan
14 personnel concluded that both Sofona and Somagui were
15 "unknown in the local market."

16 (ii) Similarly, in 2004, at a time in which Nguema claimed
17 that Sofona and Somagui were even larger and more
18 dominant in the E.G. economy, Riggs Bank, where Nguema,
19 his parents, and the E.G. Government opened several bank
20 accounts, sought to investigate and confirm Nguema's
21 representations about his companies. Relying on various
22 bank resources and almost two dozen electronic databases
23 and search engines, a fraud investigator with Riggs
24 National Bank's investigation group in Washington D.C.
25 concluded that no evidence of Sofona's or Somagui's
26 existence in E.G. could be ascertained.

27 97. Similarly, international development workers in E.G.,
28 commercial business persons, E.G. nationals and residents, and
employees of non-governmental organizations ("NGOs"), including
a major U.S.-based environmental NGO active in E.G.'s forestry
sector ("NGO A"), all of whom lived or worked in E.G. between
2000 and 2007 and were knowledgeable about the E.G. forestry
and/or infrastructure industries, reported that neither Sofona
nor Somagui were known in E.G. as legitimate or substantial
commercial businesses with actual operations. For instance:

- 1 (i) An E.G. national who owned an E.G. timber company
2 until 2003 explained that Somagui had no more than one
3 or two employees; had an office in Bata that was
4 rarely open; and had no function other than to open
5 bank accounts and receive illegal payments during the
6 time period he operated his timber company (1998-
7 2003).
- 8 (ii) An American forestry expert employed by NGO A in Bata
9 between 2005 and 2009 worked closely with E.G.'s
10 Forestry Ministry on forestry conservation and
11 management issues. Yet, he could not confirm that
12 Sofona and Somagui existed and/or were active in
13 either E.G.'s timber or construction industries.
- 14 (iii) Several contractors employed by U.S. AID, an
15 agency of the United States Government, who resided in
16 E.G. between 2005 and 2009, were focused specifically
17 on issues of economic and social development in E.G.,
18 and worked closely with the staff of E.G.'s Ministry
19 of Planning, Economic Development and Public
20 Investment, its Ministry of Finance, and its Ministry
21 of Fishing and the Environment. These individuals
22 reported that they had never heard of Sofona or
23 Somagui.
- 24 (iv) A U.S. Department of Agriculture forestry expert, who
25 visited Bata and various E.G. forests in 2004 to
26 consult on technical assistance matters and survey
27 forest management issues in E.G., also never heard of
28 Sofona or Somagui in E.G.
- 29 (v) An American who worked for Afriam, a company that
30 obtained a 25,000 hectare forestry concession in E.G.
31 in 1994 and operated in or around Bata during the
32 1990s, also reported that he never heard of Sofona or
33 Somagui.
- 34 (vi) China Road and Bridge Corporation, a civil engineering
35 company based in Beijing, China, represented that it--
36 not Somagui--constructed the Ebebiyin Highway, a 72
37 k.m. roadway that Nguema claims Somagui was
38 responsible for building.

1 98. Even when asked directly to provide evidence of the
2 source of his wealth and income, Nguema has been unable to do
3 so. For example, in 2006, when lawyers at McAfee and Taft, an
4 Oklahoma-based law firm and escrow agent, explicitly and
5 repeatedly asked Nguema to provide details as to the source of
6 his income in connection with his attempt to purchase a \$38.5
7 million Gulfstream jet aircraft in the United States, Nguema did
8 not respond. Despite numerous attempts to obtain this
9 information from Nguema and to ascertain the legitimacy of his
10 wealth, Nguema refused to respond. As a result, McAfee and Taft
11 refused to participate further in the transaction and returned
12 all funds deposited by Nguema to the aircraft escrow account.
13 The lawyers on both sides of the transaction were so concerned
14 about possible civil or criminal liability as a result of their
15 involvement in handling Nguema's money that they attempted to
16 obtain assurances from the U.S. Department of Justice as to the
17 legitimacy of these funds.
18

19 99. Likewise, at present, Nguema is the subject of a
20 criminal investigation by law enforcement authorities in France.
21 Nguema is under criminal investigation for money laundering,
22 misappropriation and embezzlement of public funds, and
23 misappropriation and embezzlement of corporate funds. On
24 September 28, 2011, French judges in Paris ordered the seizure
25
26
27
28

1 of eleven high-end automobiles from Nguema's home on Avenue Foch
2 in connection with their investigation. In February 2012,
3 French judges authorized French police to enter and seize the
4 contents of Nguema's Paris home. When Nguema refused to meet
5 with French authorities to answer questions regarding the
6 sources of his income and wealth, the French court issued a
7 warrant for Nguema's arrest.
8

9 **G. Nguema Does Not Have Legitimate Income Sufficient to**
10 **Account for His Hundreds of Millions of Dollars in Personal**
11 **Purchases and Expenditures**

12 100. From 2000 to 2011, Nguema spent more than \$300
13 million acquiring assets and property on four continents--North
14 America, South America, Europe and Africa. In the United States
15 alone, Nguema spent \$68 million during a period of less than
16 three months in 2006 on two assets: the Sweetwater property,
17 for which the purchase price was \$30 million, and a Gulfstream
18 G-V jet aircraft, which cost over \$38 million.
19

20 101. For every year between 2000 and 2011, Nguema's
21 enormous personal expenditures vastly outpaced and were
22 inconsistent with both (i) his public official salary of less
23 than \$100,000 per year, and (ii) the fraudulent income he
24 purportedly generated from his companies Sofona and Somagui.
25

26 (i) In 1999, Sofona's financial statements reported that
27 that the company incurred losses of 828,238,750 CFAs
28 (approximately \$1,129,930) and that the shareholders,

1 managers and directors of the company received no
2 compensation from the company.

3 (ii) In 2000, Sofona's financial statements reported that
4 the company incurred 236,005,058 CFAs (approximately
5 \$321,971) in losses. Like the prior year, these
6 statements again indicate that the company provided no
7 compensation or income to its shareholders, directors
8 and managers. Yet, Nguema spent and/or wired in or
9 around approximately \$13,451,964 into the United
10 States and throughout the world. Nguema, for
11 instance, spent approximately \$857,000 acquiring
12 luxury automobiles in France, including an Aston
13 Martin, a Ferrari and a Peugeot, with no financing or
14 use of borrowed funds. In the United States, Nguema's
15 account at Riggs Bank received two wires from
16 Somagui's account at CCEI Bank in E.G. for (i)
17 \$1,099,980 on March 13, 2000, and (ii) \$999,980 on
18 April 11, 2000, even though the company's financial
19 statements that year reported that Somagui had losses
20 of almost six-times that amount. Nguema's Riggs Bank
21 account also received additional wires from accounts
22 in his own name at (i) Citibank for \$5 million on
23 February 22, 2000, and (ii) CCF Banque Privée
24 Internationale, a French bank, for \$5.495 million on
25 March 3, 2000.

17 (iii) In 2001, Nguema reported in Sofona's financial
18 statements that the company generated 2,245,980,864
19 CFAs (\$3,064,093) in net income. Yet, that year
20 Nguema spent and wired into the United States in or
21 around \$11,109,082. Nguema spent \$8,009,210 in
22 California alone, including purchasing a \$6,500,000
23 property on Antelo Road in Bel Air, California and a
24 Bentley vehicle for \$651,500. In addition, Nguema's
25 Riggs Bank account received three wires from Somagui's
26 account at CCEI Bank in E.G. for (i) \$999,932 on March
27 26, 2001, (ii) \$999,980 on May 1, 2001, and (iii)
28 \$999,980 on August 16, 2001. Nguema's account at
Chase Manhattan received an additional wire from
Somagui's CCEI account in E.G. for \$99,980 on November
7, 2001. These expenses amounted to more than 250
percent of Sofona's purported total net income.

(iv) In 2002, Nguema received in or around \$3,326,650 in
wires from E.G. Specifically, Nguema's Riggs Bank

1 account received two wires from Somagui's account at
2 CCEI Bank in E.G. for (i) \$266,439 on May 24, 2002,
3 and (ii) \$1,499,980 on June 28, 2002. In addition,
4 Nguema's Riggs Bank account received additional wires
5 from accounts in his own name at (i) Chase Manhattan
6 Bank for \$209,548 on April 25, 2002, and (ii) National
7 Financial Services Corp. for \$734,225 on July 8, 2002.
8 In addition, Nguema's account at City National Bank in
9 Los Angeles in the name of TNO Entertainment received
10 three additional wires from Somagui's E.G. bank
11 account: (i) a wire for \$199,950 on January 22, 2002,
12 (ii) a wire for \$59,980 on June 13, 2002, and (iii)
13 \$149,980 on June 19, 2002.

14 (v) In 2003, Nguema spent and wired more than \$6,735,216
15 throughout the world. Specifically, Nguema's account
16 at Riggs National Bank received five wires from
17 Somagui's CCEI account for (i) \$299,980 on March 19,
18 2003; (ii) \$1,499,975 on July 11, 2003; (iii)
19 \$2,599,985 on July 17, 2003; (iv) \$671,679 on August
20 11, 2003; and (v) \$999,975 on September 17, 2003.
21 Additionally, Nguema spent \$663,622 on a Maybach 62
22 automobile in Paris.

23 (vi) In 2004, Nguema spent more than \$88 million to acquire
24 numerous personal assets around the world, including a
25 property valued at approximately \$80 million in Paris
26 on Avenue Foch, and two properties in Cape Town, South
27 Africa for \$8 million. The value of these three
28 assets alone equaled almost 43 percent of the total
gross construction income Somagui had purportedly
generated at that time throughout its entire
existence.

(vii) In 2005, Nguema spent more than \$11 million on assets
and expenditures, including acquiring (i) two 50-foot,
high-performance racing boats in Ft. Myers, Florida,
for over \$2 million; (ii) \$1 million on a ten day
yacht cruise around St. Barthelemy in December; (iii)
a Rolls Royce for €381,000; (iv) a Maserati for
€82,000; (v) €1.8 million on renovations and
decorations to his Paris home; and (vi) almost €3
million in jewelry and art, including three Piaget
baguette diamond-studded watches for €777,400
(approximately \$1,010,620) each. Nguema's expenses
for 2004 and 2005 combined (\$99 million) amounted to

1 more than 48 percent of the total gross income Somagui
2 had supposedly generated from construction projects at
3 that time throughout its entire existence.

4 (viii) In 2006, Nguema spent more than \$88 million on assets
5 and expenditures, including (i) the defendant
6 Sweetwater property for \$30 million; (ii) a \$38.5
7 million Gulfstream G-V jet aircraft; (iii) €7.34
8 million in renovations and decorations to his Paris
9 home; (iv) €2.296 million on two Bugatti vehicles; and
10 (v) €1,291,680 in jewelry and art, including a
11 diamond-studded Vacherin Constantin watch for €586,040
12 (approximately \$761,852). Nguema's expenditures for
13 the period 2004-2006 combined (approximately \$187
14 million) equaled almost 91 percent of the total gross
15 income Somagui had supposedly generated from its
16 construction projects at that time throughout its
17 entire existence.

18 (ix) In 2007, Nguema spent more than \$10,676,190.42 on
19 assets and expenditures, including acquiring (i) a
20 €347,010 Bentley; (ii) a €50,657 Peugeot; (iii) a
21 €49,078 Mercedes; (iv) €1,868,573 in renovations and
22 decorations to his Paris home; (v) €179,400 in
23 jewelry; (vi) €4.4 million in antiques, including an
24 antique cabinet made by André-Charles Boulle for
25 €2,600,000 (\$3,380,000); and (vii) \$1,713,057.42 in
26 servicing costs related to his Gulfstream. Nguema's
27 combined expenditures between 2004-2007 (approximately
28 \$197,676,190.42) equaled almost 96 percent of the
total gross construction income Somagui had
purportedly generated at that time throughout its
entire existence.

(x) In 2008, Nguema spent more than \$65,196,403 in assets
and expenditures, including (i) a property in Sao
Paulo, Brazil worth approximately \$15 million; (ii) a
painting by Edgar Degas for \$4,533,000; (iii) a
painting by Pierre-Auguste Renoir for \$6,424,000; (iv)
a painting by Paul Gauguin for \$8,905,000; (v) a
painting by Henri Matisse for \$8,905,000; (vi) a
painting by Pierre Bonnard for \$6,010,000; (vii)
€8,410,000 in antiques; (viii) a painting by Edgar
Degas for €5,600,000; (ix) a €364,940 Bentley; (x)
\$280,000 for the pre-design of a \$280 million mega-
yacht in Germany; (xi) €1,231,880 in jewelry; (xii)

1 \$2,038,391.89 on a Bugatti Veyron in California; (xii)
2 a Rolls Royce in California for \$609,973.29; and (xiv)
3 a second California Rolls Royce for \$380,173.96.
4 Nguema's combined expenditures between 2004 and 2008
5 (\$255,149,536) equaled more than 120 percent of
6 Somagui's purported total gross construction income
7 generated at that time throughout its entire
8 existence, and exceeded the dollar amount purportedly
9 earned by Somagui during that time period by more than
10 \$56 million.

11 (xi) In 2009, Nguema spent more than \$9,046,425.48 on
12 assets and expenditures, including (i) €2,199,980 on
13 renovations and decorations to his international
14 properties; (ii) €652,174 on 1,403 bottles of high-end
15 wine; (iii) €2,960,000 on art; (iv) €203,320 on
16 jewelry; (v) a Rolls Royce for \$609,984.29 in
17 California; (vi) a second California Rolls Royce for
18 \$499,910.45; and (vii) \$116,414.74 on servicing costs
19 related to his Gulfstream. Nguema's expenditures
20 between 2004 and 2009 (approx. \$271,205,960.74)
21 equaled more than 100 percent of the total gross
22 construction income supposedly obtained by Somagui
23 from all of its construction projects throughout its
24 entire existence at that time.

25 (xii) In 2010, Nguema spent more than \$37,618,461.62 on
26 assets and expenditures, including (i) €18,347,952 on
27 109 items acquired at the auction of Yves Saint
28 Laurent's estate; (ii) a Bugatti vehicle for €1.9
million; (iii) €3,840,180 on high-end wine; (iv) a
€200,000 Ferrari; (v) €1.8 million on renovations and
decorations to his properties; (vi) €849,160 on
jewelry, including another Vacheron Constantin watch
for €432,354 (approximately \$562,060); (vii)
\$2,270,187.50 on various Michael Jackson memorabilia,
including some of the defendant assets, and (viii)
\$460,149.12 on servicing costs related to his
Gulfstream. Nguema's combined expenditures between
2004 and 2010 (\$307,708,007.12) equaled more than 113
percent of Somagui's purported total gross
construction income obtained at that time throughout
its entire existence, and exceeded the actual dollar
figure by more than \$40 million.

(xiii) In 2011, Nguema spent more than \$7,620,452.18 on assets and expenditures, including (i) €1,602,671 on renovations and decorations for his properties; (ii) €3,198,928 on jewelry, including a diamond-studded Piaget watch for €980,720 (\$1,274,936); (iii) the defendant Ferrari for \$532,984.12 in California; and (iv) \$494,700 on some of the defendant Michael Jackson memorabilia. Nguema's combined expenditures between 2004-2011 (\$314,868,310.62) equaled more than 116 percent of Somagui's total gross construction income purportedly generated at that time throughout its entire existence, and exceeded the actual dollar figure by more than \$47 million.

H. To Funnel and Harbor His Criminal Proceeds Through U.S. Financial Institutions, Nguema Deceived U.S. Banks About His Identity and the True Source and Ownership of His Funds

102. Beginning in at least 2004, Nguema orchestrated and implemented a scheme to fraudulently open and use bank accounts at financial institutions in California in order to funnel millions of dollars into the United States from E.G., while concealing his association with the accounts, the source of funds, and his status as an E.G. Minister and the son of E.G.'s President.

103. Having acquired the \$30 million Sweetwater property in April 2006, Nguema continued to spend more than \$100,000 per month to pay for the maintenance and upkeep of his newly acquired 12-acre Malibu estate.

104. U.S. financial institutions face substantial criminal and civil penalties, as well as significant reputational harm, if they fail to adhere to the requirements of the Bank Secrecy

1 Act, 31 U.S.C. §§ 5311 and other anti-money laundering controls.
2 These obligations include, among others requirements, to
3 implement (i) due diligence policies and procedures governing
4 high-risk areas such as accounts of politically exposed persons
5 ("PEPs"),³ including senior foreign public figures ("SFPs"),⁴
6 and (ii) internal controls for managing accounts of PEPs and
7 SFPs and companies owned by such persons.
8

9 105. Because Nguema is the son of President Obiang and an
10 E.G. minister, he is both a PEP and an SFP.
11

12 106. In 2004, the conviction and \$16 million criminal fine
13 against Riggs Bank, the additional \$25 million in civil
14 penalties assessed against Riggs by federal regulators, and the
15 U.S. Senate PSI's scrutiny on private banking involving senior
16 foreign political figures -- specifically including Nguema and
17 the Inner Circle -- highlighted the risks of non-compliance with
18 U.S. anti-money laundering controls.
19

20
21 ³ The Federal Financial Institutions Examination Council's
22 Bank Secrecy Act Ant-Money Laundering Act Examinations Manual
23 defines a "politically exposed person" as including a "current
or former senior foreign political figure, their immediate
family, and their close associates."

24 ⁴ An SFP is a current or former senior official in the
25 executive, legislative, administrative, military, or judicial
26 branches of a foreign government, whether or not they are or
27 were elected officials; a senior official of a major political
28 party; and a senior executive of a foreign government-owned
commercial enterprise. Also included in the definition of a
senior foreign political figure are immediate family members of
such individuals, and those who are widely and publicly known
(or actually known) close associates of a senior foreign
political figure. See 31 C.F.R. 1010.65(p).

1 107. Since then, U.S. financial institutions have been
2 unwilling to deal with Nguema because of concerns that his funds
3 were derived from corruption in E.G.
4

5 108. In fact, two weeks after the PSI's report was
6 published on July 15, 2004, City National Bank in Los Angeles
7 was contacted by Nguema after the bank had closed his personal
8 bank account. When Nguema called City National Bank on July 30,
9 2004, he told a CNB employee that he thought his account had
10 been closed "due to [his] country and the oil."
11

12 109. As a result, between 2004 and 2008, Michael J. Berger
13 ("Berger"), a California lawyer, created several companies in
14 California, including "Beautiful Vision, Inc." and "Unlimited
15 Horizon, Inc.," to defraud U.S. financial institutions regarding
16 Nguema's relationship to accounts opened and the source and
17 ownership of funds he brought into the United States.
18

19 110. Similarly, between 2005 and 2006, George Nagler
20 ("Nagler"), another California lawyer, created additional
21 companies in California for Nguema, including "Sweet Pink,
22 Inc.," "Sweetwater Management, Inc.," and "Sweetwater Malibu
23 LLC," to defraud U.S. financial institutions regarding Nguema's
24 relationship to accounts opened, property acquired, and the
25 source and ownership of funds he brought into the United States.
26
27
28

1 111. As part of this scheme, Nguema, Berger and Nagler
2 opened bank accounts in California in the names of these
3 companies without disclosing Nguema's ownership of the companies
4 or their funds and concealing his status as a SFP and a PEP. At
5 all times alleged herein, Berger and Nagler were working as
6 Nguema's agents, and worked under his control and direction.

8 112. Nguema and his intermediaries, including Berger and
9 Nagler, then transferred funds received from Nguema into these
10 fraudulently obtained bank accounts in the United States.

12 113. In opening numerous California bank accounts and
13 using intermediaries' accounts, Nguema, Berger and Nagler
14 intentionally and deliberately concealed from these financial
15 institutions Nguema's association with these bank accounts as
16 well as his status as an SFP and a PEP.

18 114. In variations of this scheme, Nguema wire transferred
19 funds to bank accounts controlled by intermediaries, including
20 the attorney client trust accounts of Berger and Nagler, who --
21 unbeknownst to the banks -- then conducted transactions with
22 these proceeds of bank fraud to pay for, among other things,
23 Nguema's personal expenses and the upkeep and maintenance of the
24 defendant assets, or to transfer these funds to the shell
25 companies from which such payments were made.

1 115. By concealing Nguema's association with the bank
2 accounts, as described in paragraphs 117-209, as well as his
3 status as a PEP and an SFP, Nguema and his co-conspirators
4 fraudulently gained access to banking services in the United
5 States, including the capacity to wire, hold and receive
6 millions of dollars to pay for expenses related to the
7 maintenance and upkeep of the defendant assets in California,
8 while escaping the heightened scrutiny and monitoring to which
9 banks are required, and entitled, to treat SFPs and PEPs.
10 Nguema also deprived these financial institutions of the ability
11 to assess accurately the risks associated with Nguema's banking
12 activities, and exposed these financial institutions to the risk
13 of regulatory sanctions and penalties were they were to fail to
14 comply with banking regulations and guidelines relating to SFPs.
15

16 116. In addition to paying for the maintenance and upkeep
17 of the defendant assets, funds transmitted into the United
18 States banking system through these fraudulently opened bank
19 accounts were used to promote and further perpetuate Nguema's
20 fraudulent scheme to defraud financial institutions in the
21 United States. Funds were used to pay for, among other things,
22 the salaries of Nguema's household staff who worked at the
23 Sweetwater property and aided Nguema, at his direction, to
24 execute this fraudulent scheme; maintenance of an office at the
25
26
27
28

1 Sweetwater property for Nguema to perpetuate and oversee this
2 scheme; the professional and administrative services of various
3 lawyers, accountants, and property managers, including Berger
4 and Nagler; costs incurred by Nguema's household staff relating
5 to this scheme; and the costs and fees of the Sweetwater
6 property, where Nguema and his household staff maintained their
7 business office for their companies and where much of the
8 conduct described at paragraphs 117-209 were planned,
9 coordinated, and occurred.

12 **a. Scheme to Defraud Bank of America: Oct. 2004-Nov. 2005**

13 117. Less than five months after City National Bank closed
14 Nguema's bank account in Los Angeles, Berger incorporated a
15 company called Beautiful Vision, Inc. in California on or about
16 October 12, 2004. Beautiful Vision was owned by Nguema, but its
17 Articles of Incorporation make no reference to Nguema. In or
18 around, October 25, 2004, Berger applied for and received an
19 Employer Identification Number ("EIN") from the Internal Revenue
20 Service ("I.R.S.") for Beautiful Vision.

23 118. On or about October 19, 2004, opened two bank
24 accounts at a Bank of America ("BOA") branch on Wilshire
25 Boulevard in Beverly Hills, one block from Berger's law office.

26 119. Although Nguema was also present at the bank when
27 these accounts were opened, Nguema's status as a PEP and a SFP
28

1 was concealed from BOA. Berger identified himself in bank
2 documents as the owner and president of Beautiful Vision when,
3 in fact, Nguema was the company's sole owner. No banker looking
4 at the documents and information provided to BOA by Berger and
5 Nguema could have identified Nguema as being the owner of
6 Beautiful Vision, nor could they have readily identified the
7 account as one affiliated with an SFP and a PEP.
8

9 120. Within three weeks of opening the BOA accounts,
10 Berger transferred \$3.1 million from his BOA client trust
11 account to Nguema's Beautiful Vision accounts. Between November
12 1, 2004 and November 2005, at least an additional \$1 million in
13 funds originating from E.G. were funneled into these accounts.
14

15 121. The funds in Beautiful Vision's accounts were used
16 and controlled by Nguema to pay for his personal expenses.
17

18 122. In an email dated in or about June 10, 2005, to Jane
19 Doe B, Nguema's then-personal assistant, Berger confirmed that
20 Nguema controlled the funds in these accounts and provided
21 Nguema with the passwords for both accounts. Berger explained:
22 "With this information, you and Mr. Nguema can check the bank
23 balances any time you want to." Similarly two months later, in
24 a letter dated August 11, 2005, Berger again confirmed
25 explicitly that Nguema was "the owner of" Beautiful Vision, Inc.
26
27
28

1 123. BOA closed the Beautiful Vision accounts in or around
2 September 12, 2005, and September 15, 2005, respectively, after
3 discovering that Nguema, a SFP and a PEP, was associated with
4 Beautiful Vision, Inc.
5

6 **b. Scheme to Defraud Union Bank of California: Sept.**
7 **2005-Oct. 2005**

8 124. On or about September 15, 2005, three days after BOA
9 closed Nguema's Beautiful Vision business checking account,
10 George Nagler, another California lawyer retained by Nguema,
11 formed a company called Sweet Pink, Inc., for Nguema.
12

13 125. Sweet Pink's articles of incorporation identify
14 Nagler as the company's initial agent for service of process,
15 but make no reference to Nguema. Nagler, however, later
16 confirmed to PSI staff that Nguema was Sweet Pink's sole owner,
17 and that Sweet Pink was formed to employ and pay individuals at
18 Nguema's home before he purchased the Sweetwater property.
19

20 126. On or about September 22, 2005, Nagler faxed a letter
21 to John Doe B, Nguema's accountant, at 12:51 p.m., directing
22 him to open a bank account for Sweet Pink so that Nguema could
23 wire additional funds into the United States. Specifically,
24 Nagler wrote to John Doe B that:
25

26 You should plan to have two or three people in your office
27 authorized to sign on the account. You should add [Nguema]
as the assistant treasurer as able to sign alone.

28 ***

1 . . . I plan to use one of my people as the nominal officer
2 and director but she will NOT be signing [the bank opening
3 documents] either . . .

4 127. Later that same day, Nagler asked his assistant to
5 serve as a nominee officer of Sweet Pink and to sign and file an
6 EIN application with the I.R.S. for Sweet Pink on Nguema's
7 behalf. Nagler wrote in an email to his assistant:
8

9 I am forming a new corporation for [Nguema], a new client.
10 He asked if we could provide someone to act as the officer
11 and director for him. You will have no responsibility
12 other than signing the standard minutes. The company is
13 being formed only to handle the payroll for the 3 people
14 who work at his house and any other personal affairs here.
15 You can resign at any time. Assuming you agree, I need you
16 to sign the attached application for a tax identification
17 number and fax it back to me.

18 128. At 3: 26 p.m. on September 22, 2005, Nagler faxed
19 John Doe B another letter:
20

21 I confirm our discussion today that you and three others
22 from [your] accounting firm . . . will be authorized
23 signatories [on the Sweet Pink account]. . . You will use
24 your address as the business location. Please mail a copy
25 of the statement to [Nguema] and me.

26 Please confirm. I will forward you the [EIN] as soon as I
27 have it, probably Monday. You then will open the account
28 and send me the wiring instructions.

29 129. On or about September 25, 2005, Nagler's assistant
30 filed an EIN application for Sweet Pink with the I.R.S.,
31 identifying herself -- at Nagler's direction -- as Sweet Pink's
32 "principal officer, general partner, grantor, owner, or
33 trustor." Nagler dictated instructions for how to complete the

1 I.R.S. EIN application form on a tape recorder. Nagler's
2 assistant then completed the I.R.S. EIN application form exactly
3 as Nagler dictated it to her. Neither Sweet Pink's articles of
4 incorporation, by-laws or other corporate documents identify
5 Nagler or his assistant as retaining such authority within the
6 corporation. Rather, according to Sweet Pink's corporate
7 records, Nguema was Sweet Pink's sole shareholder.

9 130. On or about September 29, 2005, Union Bank of
10 California ("UBOC") opened a checking account for Sweet Pink
11 using the EIN obtained by Nagler's assistant. Obtaining and
12 using this EIN permitted Nagler and Nguema to open the account
13 without disclosing to UBOC the social security number of the
14 corporation's true owner -- Nguema. The signatories on the
15 account were Jane Doe C, Nguema's then-girlfriend, and four
16 employees of an accountancy firm retained by Nguema. On the
17 bank account opening documents, the accountancy firm's address
18 is listed as Sweet Pink's address.

21 131. No banker looking at the documents and information
22 provided by Nagler and Nguema could have identified Nguema, as
23 being the owner of Sweet Pink, nor could they have identified
24 the account as one affiliated with an SFP and a PEP. Again,
25 Nguema's involvement and association with Sweet Pink, as well as
26 his SFP and PEP status, were concealed from UBOC personnel.
27
28

1 132. Having obtained an EIN for Sweet Pink and thereby
2 facilitated the opening of Sweet Pink's UBOC account, Nagler's
3 assistant resigned as its vice president on or about October 5,
4 2005, six days after UBOC agreed to open the accounts.
5

6 133. On or about October 19, 2005, within three weeks of
7 the account's opening, Nguema sent two wires, each for
8 approximately \$29,947.50, from Somagui in E.G. to Sweet Pink's
9 UBOC account.
10

11 134. Approximately eight days later, on or about October
12 27, 2005, UBOC closed the Sweet Pink account. Having discovered
13 the connection between Nguema and Somagui, and realizing that
14 Nguema was using the Sweet Pink account to gain access to the
15 U.S. banking system, UBOC closed Sweet Pink's account. This was
16 the third time in less than fifteen months that a California
17 bank closed an account after learning of Nguema's association
18 with the account.
19

20 c. Scheme to Defraud Commercial Capital Bank: Dec. 2005-
21 Jun. 2006

22 135. On or about December 7, 2005, less than two months
23 after UBOC closed Nguema's Sweet Pink account, Berger opened an
24 account at Commercial Capital Bank in Beverly Hills in the name
25 of another company, Unlimited Horizon, Inc. This bank was
26 located in the lobby of the same building where Berger
27
28

1 maintained his law office. Berger was the account's only
2 signatory.

3 136. Berger caused Unlimited Horizon, a California
4 corporation owned by Nguema, to be incorporated in California on
5 October 21, 2005. Unlimited Horizon's articles of incorporation
6 list Berger as the initial agent for service of process and the
7 corporation's incorporator. No reference is made to Nguema in
8 these corporate documents. In or around December 7, 2005,
9
10 Berger filed an application with the I.R.S. to obtain an EIN for
11 Unlimited Horizon.
12

13 137. In opening this account, Berger withheld and
14 concealed material information from the bank's personnel,
15 including Nguema's association with this account and his status
16 as an SFP and a PEP. No banker looking at the documents and
17 information provided by Berger and Nguema to Commercial Capital
18 Bank could have identified Nguema as being the owner of
19 Unlimited Horizon, nor could they have identified the account as
20 one affiliated with an SFP and a PEP.
21

22 138. According to PSI records, on or about February 8,
23 2006, Berger faxed a letter to John Doe C, an Italian national
24 who served as the chief executive officer of General Work, S.A.,
25 one of the largest construction companies in E.G. The letter,
26 which was addressed to Nguema, provided Nguema with the
27
28

1 "information that you need to wire transfer money to the
2 Unlimited Horizon, Inc. checking account at Commercial Capital
3 Bank," including the account number, the Swift code, the address
4 of the bank, and the bank's telephone number.
5

6 139. This Commercial Capital Bank account received the
7 following three wires from E.G.: (i) a wire for \$19,946.25 from
8 Somagui on or about February 16, 2006; (ii) a wire for \$49,945
9 from Somagui on or about March 23, 2006; and (iii) a wire for
10 \$39,944.81 from SOCAGE on or about June 16, 2006.
11

12 140. On March 15, 2006, Berger faxed another letter to
13 John Doe C's office addressed to Nguema, confirming that Berger
14 "received [Nguema's] message on March 13 directing [Berger] to
15 use the funds that Unlimited Horizon, Inc. is holding for
16 [Nguema] to pay" three of Nguema's California employees.
17

18 141. Berger continued to fax John Doe C's office
19 periodically, requesting that Nguema send more money to
20 Unlimited Horizon. On February 9, 2006, for instance, Berger
21 faxed a letter to John Doe C, which was addressed to Nguema,
22 stating that \$30,000 was "now due" for legal services he had
23 provided and "costs advanced for you." On or about March 13,
24 2006, Berger faxed to John Doe C another letter addressed to
25 Nguema, stating that another \$350,000 was "now due."
26
27
28

1 142. Bank records show that most of the funds in the
2 Commercial Capital Bank account were either withdrawn by Berger
3 in the form of cash to pay himself or to pay for expenses
4 related to Nguema's Sweetwater property, including payments made
5 to Nguema's household staff.
6

7 143. On or about June 22, 2006, Commercial Capital Bank
8 closed Unlimited Horizon's account. This was the fifth account
9 in less than two years closed by a California bank after
10 discovering its association with Nguema.
11

12 d. Scheme to Defraud California National Bank: May 2006-
13 Jun. 2006

14 144. On or about May 16, 2006, after Nguema had acquired
15 the Sweetwater property in April 2006, Nagler formed another
16 company for Nguema called Sweetwater Management, Inc. Nagler
17 explained to PSI staff that Sweetwater Management was formed to
18 employ individuals at the Sweetwater property, including
19 executive assistants, estate managers, housekeepers, and
20 gardeners, and to handle payroll and other matters related to
21 the employment of the household staff. Sweetwater Management's
22 articles of incorporation make no reference to Nguema and
23 identify Nagler as the corporation's initial agent for service
24 of process. The articles are signed by an employee of Gregory
25 Holden Corporate Services Co., who resigned as Sweetwater
26
27
28

1 Management's incorporator approximately seven days after the
2 articles were filed with California's Secretary of State.

3 145. Internal corporate records show that on or about May
4 23, 2006, Sweetwater Management resolved that Nguema would serve
5 as the corporation's president, chief financial officer,
6 secretary, sole director and sole shareholder. These records
7 also reflect that only Nguema was authorized by the corporation
8 to file an EIN application with the I.R.S.
9

10 146. On or about May 23, 2006, Nagler directed Nguema's
11 personal assistant to file an application to obtain an EIN with
12 the I.R.S., identifying herself as the "principal officer,
13 general partner, grantor, owner, or trustor" of Sweetwater
14 Management. Nothing in Sweetwater Management's corporate
15 records suggests that Nguema's personal assistant retained such
16 authority within the corporation. This EIN was then used by
17 Sweetwater Management in opening bank accounts at California
18 National Bank ("CNB").
19

20 147. On or about May 30, 2006, after agreeing to be named
21 as an officer of Sweetwater Management and filing an EIN
22 application with the I.R.S. for the corporation, Nguema's
23 personal assistant asked Nagler whether she could "be held
24 liable for anything" as an officer of Nguema's corporation.
25 Nagler reassured her, "I am not aware of an officer having
26
27
28

1 personal liability for a company's bank account except if it is
2 a payroll account and then only for the employment taxes that
3 are not paid to the I.R.S. You would only be a backup signatory
4 on the payroll account at most."

5
6 148. That same day, John Doe D, Nguema's estate manager,
7 opened an account at CNB in Los Angeles, in the name of
8 "American Equity Properties, DBA: American Property MGMT ITF:
9 Sweet Water Malibu" ("AEP Account"). In opening this account,
10 John Doe D concealed Nguema's involvement with the account as
11 well as Nguema's status as a SFP and a PEP. John Doe D
12 identified the owner of Sweetwater Malibu as a "high profile"
13 person who wanted to remain confidential. When CNB insisted
14 that John Doe D and Nagler provide the bank with Sweetwater
15 Malibu's operating agreement, they agreed that they would do so
16 in the future. Based upon these assurances, CNB opened this
17 account on a temporary basis.

18
19
20 149. The following day, on or about May 31, 2006, Nguema's
21 personal assistant opened three additional business accounts at
22 CNB in the name of Sweetwater Management, Inc. Both John Doe D
23 and the personal assistant were named as signatories on these
24 accounts. The personal assistant identified herself to CNB as
25 Sweetwater Management's vice president. Again, Nguema's
26 association with these accounts was not explicitly disclosed to
27
28

1 CNB, and his status as an SFP and a PEP was hidden from bank
2 personnel. By using the EIN obtained by Nguema's personal
3 assistant to open the accounts, Nguema and Nagler were able to
4 open these accounts without using Nguema's social security
5 number and, thus, obscure further Nguema's association with the
6 accounts.
7

8 150. No banker looking at the documents and information
9 initially provided to CNB by Nguema and Nagler, could have
10 identified Nguema as being the owner of these accounts, nor
11 could they have identified the accounts as affiliated with an
12 SFP and a PEP.
13

14 151. After opening these three accounts, Nagler emailed
15 Nguema, confirming that John Doe D "has been able to open the
16 accounts . . . in the name of Sweetwater Management, Inc."
17 Nagler further informed Nguema that his personal assistant
18 should be made Sweetwater Management's secretary because, "It
19 avoids you having to go into the bank and sign documents. . .
20 Please advise if anything differently should be done."
21
22

23 152. In another e-mail dated on or about May 31, 2006,
24 Nagler informed Nguema that "[John Doe D] is waiting for you to
25 wire in the first \$250,000. I told him that I assumed he should
26 have it by the end of this week. Please advise if you expect to
27 send it later. I also told [John Doe D] that [Nguema's personal
28

1 assistant] is setting up a household account that will have a
2 maximum of \$10,000 to allow her to pay certain household
3 expenses."

4
5 153. On or about June 12, 2006, within two weeks of
6 opening his CNB bank account, Nguema sent a wire from E.G. in
7 the name of SOCAGE for \$249,899 to the AEP Account. The
8 following day, Nguema's personal assistant requested that CNB
9 transfer these funds to one of the Sweetwater Management
10 accounts, where she was a signatory. After being reprimanded
11 for contacting the bank directly, Nguema's personal assistant
12 apologized in an email stating, "Sorry if I didn't go about it
13 the correct way. I didn't realize that speaking with [the bank
14 manager] wasn't proper."

15
16
17 154. Soon thereafter, Nagler sent CNB a copy of Sweetwater
18 Malibu's operating agreement, which lists Nguema as the
19 company's owner. After receiving this document, CNB for the
20 first time identified Nguema as being associated with Sweetwater
21 Malibu, a fact which had been withheld from the bank.

22
23 155. Soon thereafter, CNB informed John Doe D that it was
24 CNB's policy to have only "'clients that are not politically
25 connected' [and] . . . that the bank accounts (that were just
26 opened) could be closed by the bank due to their findings."
27 John Doe D relayed this same information to Nagler.
28

1 156. On or about June 22, 2006, CNB closed all four bank
2 accounts. The funds in these accounts were transferred to
3 Nagler's client trust account and used for expenses related to
4 Sweetwater Management, and its maintenance of the defendant
5 Sweetwater property. Between July 2004 and June 22, 2006, a
6 period of less than two years, five different banks in the Los
7 Angeles area had closed nine bank accounts controlled by Nguema
8 after learning of his association with them.
9

10
11 e. Scheme to Defraud Union Bank of California: Aug. 2006-
12 Jun. 2007

13 157. On or about August 28, 2006, two months after
14 Unlimited Horizon's account at Commercial Capital Bank was
15 closed and Nguema's four accounts at CNB were closed, Berger
16 opened two Basic Business Checking Accounts in the name of
17 Unlimited Horizon, Inc. at a UBOC branch on Wilshire Boulevard
18 in Beverly Hills. UBOC's Wilshire branch is located directly
19 across the street from the BOA branch that had closed Nguema's
20 Beautiful Vision accounts nine months earlier, and next door to
21 both Commercial Capital Bank and Berger's law office. Like
22 Nguema's accounts at CNB and Commercial Capital Bank, these
23 accounts were for Nguema's exclusive use and control.
24

25 158. Bank records show that Berger identified himself to
26 UBOC as Unlimited Horizon's president, and was the sole
27 signatory on both UBOC accounts. Berger again concealed
28

1 material information from UBOC, including Nguema's association
2 with Unlimited Horizon, as well as Nguema's status as a SFP and
3 a PEP. No banker looking at the documents and information
4 provided to UBOC by Nguema and Berger, could have identified
5 Nguema as being the owner of these accounts, nor could they have
6 identified the account as one affiliated with an SFP and a PEP.
7 Also, by using the EIN obtained for Unlimited Horizon, rather
8 than Nguema's social security number, to open these accounts,
9 Nguema and Berger were able to further conceal Nguema's
10 association with these accounts.
11
12

13 159. After opening both checking accounts, Berger emailed
14 Nguema that day informing him that Unlimited Horizon's two
15 checking accounts had been opened at UBOC and that \$30,000 of
16 Nguema's funds, which were deposited in Berger's BOA client
17 trust account, were used to fund these accounts.
18

19 160. In addition to the Unlimited Horizon accounts, Berger
20 opened a client trust account at UBOC on or about October 16,
21 2006. Berger and Nguema agreed that future wires from E.G.
22 should be sent by Nguema initially to this new client trust
23 account. From there, Berger agreed to transmit Nguema's funds
24 to Unlimited Horizon's UBOC accounts. Berger explained to
25 Nguema in an email dated on or about November 1, 2006, that
26 future wires should be sent "to my new client trust account at
27
28

1 [UBOC]. I will transfer it from there to the Unlimited Horizon,
2 Inc. General Account. I will send you a separate e-mail and fax
3 requesting a \$200,000 wire transfer and providing wire transfer
4 information for this new account."
5

6 161. Within three months of opening these accounts, Nguema
7 began wiring hundreds of thousands of dollars into the United
8 States through Berger's client trust accounts at both UBOC and
9 BOA. Between November 24, 2006 and June 6, 2007, Berger's UBOC
10 client trust account received eight wires from Nguema, including
11 from Somagui's account at CCEI Bank in E.G., amounting
12 cumulatively to approximately \$1,599,419.
13

14 162. Upon receiving these wires in his client trust
15 accounts, Berger withdrew these funds and deposited them into
16 Unlimited Horizon's UBOC accounts in the form of checks and bank
17 drafts. Between November 29, 2006 and May 11, 2007, Berger
18 deposited seven checks totaling \$1,399,485 into Unlimited
19 Horizon's UBOC accounts, after withdrawing these funds as "cash"
20 from his client trust account. In addition, on June 8, 2007,
21 Berger wired \$153,101 from his client trust account directly to
22 Guernsey's Auction House in New York to purchase personal assets
23 for Nguema.
24
25

26 163. Berger sent Nguema an email on or about October 16,
27 2006, confirming that any funds wired to this client trust
28

1 account by Nguema would, in turn, be transferred to Unlimited
2 Horizon's UBOC accounts. Specifically, Berger reminded Nguema,
3 "I have spent or transferred to the Unlimited Horizon Accounts
4 all of the funds that you wired to my [client trust] account . .
5 . . Unlike my [client trust] account [at BOA] which is used for
6 many clients, the 2 Unlimited Horizon Accounts are used
7 exclusively for your business"

9 164. UBOC records show that Unlimited Horizon's accounts
10 were used to support, maintain and enhance the Sweetwater
11 property, including, among other things, paying in or around
12 \$54,000 per month for home security services; \$10,000 per month
13 in electricity bills; \$8,000 per month in phone bills;
14 \$73,649.95 in property taxes; \$6,875 for the installation of a
15 sauna; more than \$10,000 for home theater equipment; more than
16 \$4,000 for home insurance; more than \$12,000 in landscaping
17 fees; more than \$36,000 in tree care-related fees; and more than
18 \$30,000 per month in payroll for Nguema's household staff,
19 including estate managers, maintenance crews, and housekeepers.

22 165. Berger obtained Nguema's consent before disbursing
23 any checks from Unlimited Horizon's accounts. Berger would make
24 payments from these accounts after receiving a "check request
25 form" signed in Nguema's handwriting authorizing Berger to pay a
26 specific vendor a specified amount. In an email to Berger from
27
28

1 Nguema's then-personal assistant on or about August 8, 2006, she
2 wrote, "Mr. Nguema wanted me to inform you that he does not want
3 you to use or allocate any of Mr. Nguema's funds, either
4 existing or forthcoming, without his written approval."
5

6 166. PSI records show that even when Nguema was in E.G.,
7 Berger faxed "check request forms" to Nguema and received signed
8 "check request forms" back from Nguema via John Doe E, an
9 employee of General Work.
10

11 167. On or about June 12, 2007, after an investigation by
12 UBOC discovered that Berger represented Nguema, an SFP and a
13 PEP, and that Berger was using corporate vehicles to "disguise
14 the identity of" Nguema to pay for the Sweetwater property and
15 Nguema's living expenses, UBOC closed all three accounts.
16

17 **f. Bank Account at Comerica Bank: Feb.-Mar. 2007**

18 168. On or about February 6, 2007 -- eight months after
19 CNB closed Nguema's four accounts -- Nguema applied to open a
20 bank account at Comerica Bank on the Avenue of the Stars in Los
21 Angeles.
22

23 169. On this occasion, Nguema directed Jane Doe D, an
24 accountant, to open the account in his name and to identify
25 himself as an E.G. citizen to the bank, but he nonetheless
26 concealed from Comerica the fact that he was a PEP and an SFP.
27 When asked explicitly whether Nguema "ever performed important
28

1 public functions for a foreign state (PEP)?" Jane Doe D answered
2 in the negative. When asked whether Nguema was "closely
3 associated with person(s) who perform public functions for a
4 foreign state (PEP)?" Jane Doe D again answered in the negative.
5 Had Nguema disclosed his status as a SFP or PEP, the banker
6 would have been required under Comerica's policies to contact
7 the bank's AML Compliance OFAC/PEP Officer before opening this
8 account.
9

10
11 170. Furthermore, instead of identifying Nguema as E.G.'s
12 Minister of Forestry and Agriculture, Jane Doe D claimed that
13 Nguema was not employed and that his source of income was
14 "family inheritance, sale of automobiles . . . [and] trading
15 expensive & custom automobiles." In connection with his family
16 inheritance, Jane Doe D informed the bank that Nguema receives
17 \$50,000 per week (or approximately \$1.2 million per year) "from
18 France, Spain or England from private funds received re
19 inheritance."
20

21 171. Once this account was opened, Nguema deposited
22 \$158,086.99 in checks into it.
23

24 172. On or about March 22, 2007, Comerica closed this
25 account after the bank's compliance personnel discovered that
26 Nguema was a PEP and an SFP. The remaining balance of
27 \$153,100.99 was provided to Nguema in the form of a bank check
28

1 that, in turn, was deposited into Berger's BOA client trust
2 account. These funds were again used to pay for Nguema's
3 personal expenses, including maintenance and upkeep of the
4 defendant Sweetwater property.
5

6 **g. Citibank Accounts: June 2007-May 2008**

7 173. On or about June 25, 2007, approximately thirteen
8 days after UBOC closed Nguema's accounts, Berger opened another
9 account in the name of Unlimited Horizon at a Citibank branch on
10 Wilshire Boulevard, one block from UBOC and across the street
11 from his law office. Although during the preceding three years
12 five different banks in California closed twelve different
13 accounts used by Nguema after learning that Nguema controlled or
14 used those accounts to transmit funds into the United States,
15 Berger represented to Citibank that he alone was Unlimited
16 Horizon's president and concealed from Citibank Nguema's
17 association with the company as well as Nguema's status as an
18 SFP and a PEP.
19
20

21 174. Furthermore, in opening the Citibank account, Berger
22 made several explicit misrepresentations to mislead Citibank
23 personnel. Berger fraudulently represented that:
24

- 25 (i) He was the sole shareholder and director of
26 Unlimited Horizon, a single stockholder
27 corporation, when, in fact, Nguema was Unlimited
28 Horizon's sole owner;

1 (ii) Unlimited Horizon was in the business of
2 providing legal and accounting services when, in
3 actuality, Unlimited Horizon provided no
4 commercial services of any kind, let alone legal
5 and accounting services; and

6 (iii) Unlimited Horizon generated \$400,000 in
7 annual sales per year and \$100,000 in profit
8 when, in actuality, Unlimited Horizon made no
9 such earnings.

10 175. Furthermore, prior to opening this bank account, a
11 Citibank banker explicitly asked Berger:

12 (i) whether "any signer/owner (owning 25% or more)
13 [of Unlimited Horizon]. . . is a citizen of a
14 country other than the United States or Puerto
15 Rico?" and

16 (ii) "If yes, are any of such owners a Senior Public
17 Figure (SPF) (for example, a current or former
18 Senior Public Figure or Senior Official in the
19 executive, legislative, administrative, military
20 or judicial branch of a government) or a close
21 associate/family member of an SPF?"

22 In response, Berger fraudulently answered "no" to both
23 questions.

24 176. On or about June 26, 2007, a Citibank employee
25 performed a site visit at the Wilshire Boulevard location where
26 Unlimited Horizon was purportedly located. Upon arriving at
27 this location, the Citibank employee noticed that an entity
28 called the "Law Offices of Michael J. Berger" operated at the
location and used the same address and phone number as the one
provided for Unlimited Horizon. The banker, however, saw no
evidence of any signage or marketing by Unlimited Horizon at the

1 location. Furthermore, even though Berger was present at the
2 time the site visit occurred, he -- again -- failed to clarify
3 that Nguema, a PEP and an SFP, owned or was associated with
4 Unlimited Horizon.
5

6 177. On or about July 10, 2007, Berger withdrew \$100,000
7 of Nguema's funds from his client trust account at BOA to open
8 Unlimited Horizon's Citibank account. In an email to Nguema on
9 or about July 12, 2007, Berger confirmed, "[A]s we discussed
10 this morning, on July 10, 2007 I went to Bank of America,
11 withdrew \$100,000.00 of your money from my Bank of America
12 [client trust] account, purchased a cashier's check for
13 \$100,000.00 made out to Unlimited Horizon, Inc. and deposited
14 said cashier's check into the new Unlimited Horizon, Inc.
15 account at Citibank."
16
17

18 178. Over the course of the next five months, Nguema
19 transferred over \$1 million directly from E.G. into Berger's
20 client trust account. Berger, in turn, transferred these funds
21 into Unlimited Horizon's Citibank account. Specifically:
22

23 (i) On or about July 27, 2007, Nguema wired approximately
24 \$199,948.82 in the name of Somagui in E.G. into
25 Berger's BOA client trust account. Berger then
26 withdrew these funds in cash and deposited them in the
27 form of a bank check into Unlimited Horizon's Citibank
28 account;

(ii) On or about August 16, 2007, Berger withdrew
\$199,908.45 of Nguema's money from his BOA client
trust account as cash and deposited these funds in the

1 form of a bank check into the Unlimited Horizon
2 Citibank account;

3 (iii) On or about September 11, 2007, Nguema wired
4 approximately \$199,934.10 in the name of Somagui in
5 E.G. into Berger's BOA client trust account. Berger
6 then withdrew these funds as cash and deposited them
in the form of a bank check into the Unlimited Horizon
Citibank account;

7 (iv) On or about October 12, 2007, Nguema wired \$199,931.82
8 in the name of Somagui in E.G. into Berger's BOA
9 client trust account. That same day, Berger withdrew
10 \$199,896.82 as cash from his BOA client trust account
and deposited these funds in the form of a bank check
into the Citibank account; and

11 (v) On or about November 6, 2007, Nguema wired \$169,178.26
12 in the name of Somagui in E.G. into Berger's BOA
13 client trust account. Three days later, Berger
14 transferred \$169,143.26 to the Citibank account from
his BOA client trust account.

15 179. Citibank records show that the funds in Unlimited
16 Horizon's Citibank account were used to pay for expenses
17 relating to the Defendant Sweetwater property, including, among
18 other things, approximately \$54,000 per month on the home's
19 security detail, over \$9,000 per month on the power bill to
20 Southern California Edison, over \$5,000 per month on the home's
21 water bill to Los Angeles County Waterworks, \$37,000 on
22 landscaping costs, \$3,773 on maintenance for the home's fish
23 tank, \$24,700 on outdoor landscape lighting, \$7,577 for the
24 "Fish Physician" in connection with the home's Koi pond, \$9,600
25 on audio-video equipment, \$1,304 for swimming pool maintenance,
26 and thousands of dollars for home furniture and decorations.
27
28

1 180. In an email dated on or about December 7, 2007,
2 Berger confirmed with Nguema, "I know that all payments [from
3 the Citibank account] must be approved by you . . . I understand
4 the importance of the principle. This e-mail will reconfirm
5 that I will only pay bills approved by you."

7 181. When the Citibank account ran low on funds, Berger
8 contacted Nguema to wire more money from E.G. On or about
9 October 30, 2007, for instance, Berger emailed Nguema and
10 advised him, "[t]he bottom line is that it is time to send more
11 money to my [client trust] account. I have prepared a bill and
12 wire transfer instructions and attached those conditions."

14 182. On or about May 20, 2008, after uncovering Nguema's
15 association with Unlimited Horizon and this account, Citibank
16 closed Unlimited Horizon's account. When a Citibank banker from
17 the Wilshire Branch telephoned Berger to advise him that this
18 account needed to be closed, Berger neither commented nor raised
19 any questions as to why such a decision had been made. As of
20 May 2008, six banks in California had closed thirteen accounts
21 during the preceding four years after learning of their
22 association with Nguema.
23
24

25

h. Berger's Use of Client Trust Accounts at BOA and UBOC

26 183. Berger has maintained a client trust account at BOA
27 since 1996. Berger opened his UBOC client trust account on
28

1 October 16, 2006. Under California's Rules of Professional
2 Conduct ("RPC"), California lawyers are permitted to open and
3 maintain client trust accounts to maintain client funds in
4 connection with or related to the provision of legal services.
5 See Rule 4-100. Under the RPC, funds in which a client
6 maintains an interest must be deposited in a client trust
7 account. See Rule 4-100(A). Funds in a client trust account,
8 however, are precluded from being used to pay for expenses not
9 directly related to a lawyer's duty to provide legal services to
10 a client. Rule 4-210 ("A member shall not directly or
11 indirectly pay or agree to pay, guarantee, represent, or
12 sanction a representation that the member or member's law firm
13 will pay the personal or business expenses of a prospective or
14 existing client").

15
16
17
18 184. Between 2004 and 2007, Nguema transmitted more than
19 \$1.5 million dollars into the U.S. from E.G. through Berger's
20 client trust accounts at BOA and UBOC. By wiring funds into
21 Berger's client trust account, Berger implicitly represented
22 that the funds in this account were payment for legal services
23 or otherwise directly related to his law practice. Unbeknownst
24 to BOA, these funds had nothing to do with legal services
25 provided by Berger and, instead, were used to pay for Nguema's
26 personal expenses, including the maintenance and upkeep of the
27
28

1 defendant assets. By deceptively representing implicitly to BOA
2 that the funds being transmitted by Nguema into Berger's client
3 trust account were directly related to legal services, Berger
4 succeeded in providing Nguema with access to, and the use of, a
5 BOA account to receive and pay for personal expenses.
6

7 185. Furthermore, by permitting Nguema to wire money into
8 Berger's client trust account, before transferring those funds
9 to Unlimited Horizon's bank accounts at UBOC and Citibank,
10 Nguema and Berger were able to further conceal from financial
11 institutions in the United States Nguema's association with
12 these accounts.
13

14 186. Upon receiving funds from Nguema, Berger either (i)
15 transmitted these funds to various bank accounts held in the
16 names of various California corporations used by Nguema to pay
17 his personal expenses, including for the maintenance and upkeep
18 of the defendant assets, or (ii) used the funds to pay Nguema's
19 personal bills directly.
20

21 187. Specifically, Berger's BOA account received the
22 following wires from E.G.: (i) a wire for \$299,933.50 from
23 Nguema on or about August 8, 2005; (ii) a wire for \$299,923.68
24 from SOCAGE on or about August 4, 2006; (iii) a wire for
25 \$199,975.90 from SOCAGE on or about September 26, 2006; (iv) a
26 wire for \$199,976.17 from SOCAGE on or about October 20, 2006;
27
28

1 (v) a wire for \$199,948.82 from SOCAGE on or about July 26,
2 2007; (vi) a wire for \$199,933.45 from Somagui on or about
3 August 14, 2007; and (vii) a wire for \$199,934.10 from Somagui
4 on or about September 11, 2007.
5

6 188. After receiving these wires, Berger frequently wrote
7 checks to "cash" and used the funds to purchase cashier's checks
8 that were then deposited in Unlimited Horizon's accounts at UBOC
9 and Citibank.⁵ For instance, Berger (i) on or about October 23,
10 2006, wrote a check to cash and used the funds to purchase a
11 cashier's check for \$199,931.17 that was deposited in Unlimited
12 Horizon's UBOC account; (ii) on or about July 10, 2007, wrote a
13 check to cash and used the funds to purchase a cashier's check
14 for \$100,000 that was deposited in Unlimited Horizon's Citibank
15 account; (iii) on or about July 27, 2007, wrote a check to cash
16 and used the funds to purchase a cashier's check for \$199,948.82
17 that was deposited in Unlimited Horizon's Citibank account; (iv)
18 on or about August 16, 2007, wrote a check to cash and used the
19 funds to purchase a cashier's check for \$199,908.45 that was
20 deposited in Unlimited Horizon's Citibank account; (v) on or
21
22
23

24 ⁵ Lawyers "should **NEVER** make out a client trust bank
25 account check to cash, because there's no way to know later who
26 actually cashed the check." See State Bar of California,
27 *Handbook on Client Trust Accounting for California Attorneys*
28 (2009),
<http://www.calbar.ca.gov/LinkClick.aspx?fileticket=ndD6TpJbR8g%3D&tabid=2326>, (emphasis in original).

1 about September 11, 2007, wrote a check to cash and used the
2 funds to purchase a cashier's check for \$199,934.10 that was
3 deposited in Unlimited Horizon's Citibank account; (vi) on or
4 about October 12, 2007, wrote a check to purchase a cashier's
5 check for \$199,896.82 that was deposited in Unlimited Horizon's
6 Citibank account; (vii) on or about November 9, 2007, wrote a
7 check to purchase a cashier's check for \$169,143.26 that was
8 deposited in Unlimited Horizon's Citibank account; and (viii) on
9 or about December 14, 2007, wrote a check to purchase a
10 cashier's check for \$230,687.84 that was deposited in Unlimited
11 Horizon's Citibank account. The funds in Unlimited Horizon's
12 UBOC and Citibank accounts were then used by Nguema to pay for
13 various personal expenses, including the maintenance and upkeep
14 of the defendant assets.
15
16
17

18 189. In addition, at other times, Berger wrote checks
19 directly from his BOA client trust account to pay for various
20 personal expenses incurred by Nguema, including some relating to
21 the maintenance and upkeep of the Sweetwater property. For
22 instance, (i) on or about August 31, 2006, October 4, 2006, and
23 July 6, 2007, Berger paid \$56,544, \$54,720, and \$54,720,
24 respectively, to the Sweetwater property's security service; and
25 (ii) on or about December 10, 2007, Berger paid \$169,242.68 in
26
27
28

1 county property taxes for the Sweetwater property from this
2 account.

3 190. After BOA investigated Berger's use of his client
4 trust account in 2008, BOA closed Berger's client trust account
5 as it "wasn't comfortable" with Berger's use of this account.
6 Likewise, as explained above, UBOC closed Berger's client trust
7 account in June 2007.
8

9
10 i. Nagler's Client Trust Account and Business Account at
11 City National Bank

12 191. Nagler's law practice maintained both a client trust
13 account and a business account at City National Bank since 1995.
14 Nagler told PSI staff that after CNB closed Nguema's four
15 accounts in June 2006, Nagler -- at Nguema's request --
16 permitted Nguema to use his client trust account between on or
17 about June 26, 2006 and August 23, 2006, to pay various personal
18 expenses, including those relating to the maintenance and upkeep
19 of the Sweetwater property, with funds provided to the account
20 by Nguema.
21

22 192. When CNB closed Nguema's accounts in June 2006,
23 approximately \$213,149 was transferred from these accounts into
24 Nagler's client trust account. Until Nguema opened his
25 Unlimited Horizon accounts at UBOC, Nguema used Nagler's client
26 trust account to pay for thousands of dollars in personal
27
28

1 expenses, including the maintenance and upkeep of the Sweetwater
2 property.

3 193. Nagler concealed the fact that these funds belonged
4 to Nguema, who is both a PEP and an SFP. Furthermore, Nagler
5 failed to disclose to City National Bank that these funds had no
6 direct connection to any legal service being offered by his
7 office and, instead, were being used primarily to pay for the
8 personal expenses of an SFP and a PEP.
9

10 194. In fact, Nagler even printed "Sweetwater Management,
11 Inc.," the name of Nguema's company, on a set of checks linked
12 to his law office's business checking account to pay for
13 Nguema's personal expenses. These checks were funded with
14 transfers from Nagler's client trust account.
15

16 195. Between on or about June 26, 2006 and August 23,
17 2006, Nagler received Nguema's consent to make a payment from
18 his client trust account or business account by requesting and
19 having Nguema sign a "Check Request Form." These forms would
20 identify who the check should be issued to; the amount of the
21 check; the purpose of the check; and the address of the
22 recipient.
23

24 196. Like Berger, Nagler issued dozens of checks for
25 expenses related to the upkeep and maintenance of the Sweetwater
26 property, including paying for Nguema's household employees at
27
28

1 the Sweetwater property; the phone bill; the gas bill;
2 landscaping and gardening bills; the "Fish Physician" who cared
3 for the estate's Koi pond; the water bill; the security guards;
4 and insurance fees.
5

6 197. On or about July 20, 2006, Nagler even faxed Nguema a
7 letter advising him that only \$40,000 of Nguema's funds remained
8 in the client trust account and that Nguema should make
9 "arrangements to have another \$250,000 transferred to my trust
10 account."
11

12 198. Between on or about June 26, 2006 and August 23,
13 2006, Nagler -- unbeknownst to City National Bank -- expended in
14 or around \$309,607.71 from his client trust account on Nguema's
15 personal expenses.
16

17 199. Nagler informed PSI staff that he received the
18 following amounts in fees for services he provided to Nguema,
19 Sweet Pink, Inc., Sweetwater Management, Inc., and Sweetwater
20 Malibu, LLC: (i) \$13,992 in 2005; (ii) \$152,393 in 2006; and
21 (iii) \$30,184 in 2007.
22

23 **j. Scheme to Defraud Wells Fargo Bank: Opened Mar. 2008**

24 200. On or about March 14, 2008, approximately nine months
25 after UBOC closed Nguema's Unlimited Horizon accounts and Berger
26 fraudulently opened another Unlimited Horizon account at
27 Citibank, Nguema directed his employee John Doe F to open more
28

1 bank accounts at various banks located on Pacific Coast Highway
2 in Malibu. Specifically, Nguema directed John Doe F to open
3 these account for Nguema's exclusive use and control in the name
4 of Mecafis Estate Services LLC ("Mecafis") at various banks,
5 including a branch of Wells Fargo Bank, N.A., located on Pacific
6 Coast Highway in Malibu less than one mile from the Sweetwater
7 property.
8

9 201. Nguema explained to John Doe F that because banks in
10 the United States would never open an account for him if they
11 knew he was associated with it, all of these accounts must be
12 opened by third parties -- like John Doe F -- in the names of
13 various companies -- like Mecafis. As a result, Nguema warned
14 John Doe F not to disclose his involvement or association with
15 this account to the bank. Nguema provided John Doe F with
16 \$2,000 in cash to open this account. No banker looking at the
17 documents and information provided to Wells Fargo by John Doe F
18 and Nguema, could have identified Nguema as being the owner of
19 this account, nor could they have identified the account as one
20 affiliated with an SFP and a PEP.
21
22
23

24 202. As of about March 14, 2008, when this Wells Fargo
25 account was opened, five different banks in California had
26 closed twelve different accounts associated or controlled by
27 Nguema during the preceding four year period. Yet, John Doe F,
28

1 at Nguema's direction, did not disclose Nguema's association
2 with this account, nor did he disclose Nguema's status as an SFP
3 or PEP. When John Doe F opened this account, he informed Wells
4 Fargo that he was Mecafis' owner.
5

6 203. Over the course of the following seventeen months,
7 eight other signatories cycled through this account for varying
8 periods of time. These individuals included Nguema's
9 accountants in Pasadena, California; various household employees
10 of Nguema; and a girlfriend of Nguema. None of these
11 individuals ever disclosed Nguema's association and use of this
12 account, as well as his status as an SFP and PEP, to Wells
13 Fargo.
14

15 204. Between on or about April 14, 2008, and March 25,
16 2010, Mecafis' Wells Fargo account received 23 wires from Nguema
17 in E.G. In total, these wires amount to in or around
18 \$3,980,109. These wires originated from E.G. bank accounts held
19 by Nguema, SOCAGE, Somagui, and Sofona at three E.G. banks: CCEI
20 Bank, BGFI Bank and Societe Generale Guinee Equatoriale.
21

22 205. The funds in this account were used to pay for the
23 maintenance and upkeep of the Sweetwater property.
24

25 206. When John Doe F, who originally opened the account,
26 asked Nguema to have his name removed from the account, his name
27
28

1 was replaced by John Doe G, an accountant in Pasadena. The
2 next day Nguema terminated John Doe F as an employee.

3 k. Scheme to Defraud J. P. Morgan Chase Bank: Opened Oct.
4 2010

5 207. Two years after Nguema fraudulently opened the
6 Mecafis account at Wells Fargo, John Doe G opened an account for
7 Nguema's use and control under the name of Sweetwater Canyon,
8 Inc. at a branch of J.P. Morgan Chase Bank, N.A., located on
9 East Colorado Boulevard in Pasadena, California in or around one
10 mile from John Doe G's accounting firm, on October 5, 2010.

11 John Doe G stated that he was Sweetwater Canyon's president but
12 neither disclosed Nguema's association with this account nor his
13 status as a PEP and a SFP. The initial deposit for the
14 account's opening was funded with a check from Mecafis' account
15 at Dominica Bank. No banker looking at the documents and
16 information, provided to J.P. Morgan Chase by John Doe G and
17 Nguema, could have identified Nguema as being the owner of this
18 account, nor could they have identified the account as one
19 affiliated with an SFP and a PEP.
20
21
22

23 208. This account is used to pay for the maintenance and
24 upkeep of the defendant assets, including the Sweetwater
25 property's gas bills, phone bills, water bills, swimming pool
26 maintenance fees, maintenance fees for the property's aquarium,
27 gardening and landscaping bills, legal bills, accounting bills,
28

1 and the salaries of the Sweetwater property's employees. This
2 account was also used to pay for, among other things, the
3 insurance for the defendant Ferrari and the storage fees for
4 Rockin Boxes, where the defendant Michael Jackson memorabilia
5 was stored and secured.
6

7 209. The account received several wires from E.G. for
8 Nguema's use including (i) \$150,000 in the name of G.E. Port SA
9 in Bata on or about January 20, 2011; (ii) \$149,987 in the name
10 of Eloba Construcion on or about October 22, 2010.
11

12 **I. Purchase of the Defendants In Rem**

13 **a. Purchase of the Defendant White Crystal-Covered**
14 **"Bad Tour" Glove and Other Michael Jackson**
15 **Memorabilia**

16 210. In August 2010, an intermediary registered Nguema to
17 bid in a live auction of celebrity memorabilia (called the
18 "Legends" auction) taking place on October 9, 2010, in Macau,
19 China (October 8, 2010, in California). The intermediary
20 advised the auction house by email to "Please make sure that
21 [Nguema's] name does not appear anywhere, he should be
22 invisible," and to "please make sure that where a name needs to
23 be, my name is there. This is very important."
24

25 211. At the "Legends" auction, the intermediary bid on
26 various auction items by telephone from Los Angeles, for Nguema,
27 and was the winning bidder on numerous items of Michael Jackson
28

1 memorabilia. The auction house prepared two invoices in the
2 name of the intermediary, totaling \$1,398,062.50, using the
3 address of the Sweetwater property.
4

5 212. When one of Nguema's assistants received the
6 invoices, she instructed the auction house to revise the
7 invoices to indicate that the purchases were being billed to
8 "Amadeo Oluy, Malabo, Guinea Equatorial." These items were
9 shipped to E.G.
10

11 213. In December 2010, another auction of celebrity
12 memorabilia was held by the same auction house, this time in
13 Beverly Hills, California. An intermediary came to the auction
14 on Nguema's behalf and successfully bid on the defendant white
15 crystal-covered "Bad Tour" glove and other defendant items
16 listed in Attachment A-1. The total cost of these items was
17 \$872,125.00.
18

19 214. In accordance with the instructions it had previously
20 received, the auction house prepared invoices that did not list
21 the buyer as Nguema, but instead used another name, with the
22 address Sweetwater, Malabo, Guinea Equatorial.
23

24 215. On January 31, 2011, Nguema caused \$872,112.00 to be
25 wire transferred from an account in the name of "Eloba
26 Construcccion, S.A.," in E.G. to an account at American Business
27 Bank in Los Angeles in the name of the auction house, Julien
28

1 Entertainment, to pay for the items purchased at the December
2 2010 auction. These items were subsequently packed for shipment
3 and delivered to the defendant Sweetwater property.
4

5 216. In March 2011, the auction house held another
6 auction, called "Rock & Roll." Again, an intermediary bid on
7 items on Nguema's behalf. Through the intermediary, Nguema
8 purchased the items listed in Attachment A-2, for a total
9 purchase price of \$115,000.
10

11 217. On March 29, 2011, an employee of the auction house
12 sent her employer an email regarding the invoices for the items
13 purchased on Nguema's behalf asking,

14 I assume I need to rewrite the invoices in the same
15 fashion as I've done in prior sales? (putting all lots
16 on one page, adding catalog page numbers and changing
the Buyer's name)

17 218. The invoices were prepared listing the intermediary,
18 rather than Nguema, as the buyer.
19

20 219. On April 15, 2011, Nguema caused a net total of
21 \$119,974.00 to be wire transferred from his account in the name
22 of "Eloba Construcccion S.A." in E.G. to the bank account of the
23 auction house at American Business Bank in Los Angeles,
24 California, to pay for the items purchased at the March 2011
25 auction.
26

27 ///

28 ///

1 220. The items listed in Attachment A-2 were transported
2 to the defendant Sweetwater property on or about September 8,
3 2011.

4
5 221. In June 2011, Nguema again used an intermediary to
6 bid on more Michael Jackson memorabilia at a "Music Icons"
7 auction. The intermediary successfully bid on items costing a
8 total of \$379,700.00. On or about August 22, 2011, Nguema paid
9 for the items through a wire transfer in the amount of
10 \$379,692.00 sent by "Oluy Amadeo" in Equatorial Guinea to the
11 bank account of the auction house at American Business Bank in
12 Los Angeles, California. The items purchased by Nguema at the
13 June 2011 auction are listed in Attachment A-3 and were also
14 delivered to the defendant Sweetwater property on or about
15 September 8, 2011.
16
17

18 **b. Purchase of the Defendant Real Property**

19 222. The defendant real property is located in a gated
20 community in Malibu, California, and at the time of purchase in
21 2006, it included approximately 12 acres of land overlooking the
22 Pacific Ocean, a 15,000 square-foot main house, a 2,500 square-
23 foot guest house, two gate houses, a pool overlooking the ocean,
24 a putting green, and a tennis court.
25

26 ///

27 ///

1 223. In approximately February 2006, Nguema reached an
2 agreement to purchase the defendant real property for
3 approximately \$30 million.
4

5 224. Although Nguema was in Bata, E.G. during much of the
6 negotiations with the seller and the title company prior to
7 closing, Nguema remained actively engaged in these discussions.
8 According to PSI records, Nguema, for instance, (i) signed in
9 his own handwriting a "Residential Lease After Sale" ("Lease")
10 with the seller, faxing the signed contract to Nagler on April
11 2, 2006, using John Doe C's General Work office fax line in
12 Bata; (ii) initialed an addendum to the Lease on April 2, 2006,
13 and faxed the document back to Nagler from John Doe C's office
14 fax line; (iii) requested that the title company amend the
15 escrow instructions, using John Doe E's General Work fax line on
16 April 2, 2006; and (iv) signed in his own handwriting the
17 "Amended/Supplemental Escrow Instructions" on April 5, 2006,
18 again faxing the document to Nagler from John Doe E's fax line.
19
20

21 225. Nguema did not purchase the defendant real property
22 in his own name. On or about February 8, 2006, Nguema caused
23 the formation of a limited liability company called Sweetwater
24 Malibu, LLC, for the purpose of taking title to the defendant
25 real property. Nguema was the sole member of the company at all
26
27
28

1 times, and provided Sweetwater Malibu, LLC with all necessary
2 funds to take title to the defendant real property.

3 226. In addition, Nguema took steps to conceal the source,
4 ownership and control of the Sweetwater property. For instance:
5

6 (i) Sweetwater Malibu's articles of organization, which were
7 filed with the California Secretary of State on February
8 8, 2006, make no reference to Nguema anywhere in the
9 document. Instead, Nagler is listed as the company's
10 initial agent for service of process and an unrelated
11 nominee signed the document as the company's purported
12 "organizer."

13 (ii) Although Sweetwater Malibu was required under California
14 law to file a Statement of Information disclosing
15 publicly the name and address of its manager, the type of
16 business it engages in, and the name and address of its
17 chief executive officer, by May 7, 2006, no such
18 statement was filed. Sweetwater Malibu did not file such
19 a statement until September 25, 2006, after the
20 transaction to purchase the Sweetwater property was
21 completed.

22 (iii) In obtaining an EIN for Sweetwater Malibu, Nagler's
23 assistant, the same Nagler employee who filed the false
24 EIN application for Sweet Pink, Inc., filed a false EIN
25 application with the I.R.S. for Sweetwater Malibu. In
26 that application, Nagler's assistant, at Nagler's
27 direction, claimed falsely to the I.R.S. that she was
28 Sweetwater Malibu's "principal officer, general partner,
grantor, owner or trustor." In addition, she claimed
falsely to the I.R.S. that she, rather than Nguema, was
Sweetwater Malibu's lone member. No reference is made
anywhere in this application to Nguema's involvement
and/or association with Sweetwater Malibu. Again, Nagler
dictated information directly into a tape recorder that
his assistant then used to complete the relevant I.R.S.
EIN application form.

(iv) Nguema required his realtor to enter into a
confidentiality agreement barring him from discussing or
disclosing Nguema's identity or details and facts
relating to the Sweetwater property transaction.

1
2 (v) Nguema also required his realtor not to disclose his
3 identity as the listing agent on the Multiple Listing
4 Service database, which ordinarily records and discloses
5 real estate transactions and the names of the realtors
6 who handled a transaction.

7 (vi) On April 3, 2006, Nagler recommended that Nguema ask that
8 the escrow company draft the deed so as to "show
9 [Nagler's] office address so that there is no tie in with
10 [Nguema's current residential] address." Nagler reminded
11 Nguema that, "The deed is a public document. The other
12 closing documents should [also] go to my address."

13 (vii) On April 4, 2006, Nguema responded to, and explicitly
14 approved, Nagler's recommendation that the Sweetwater
15 property's deed list Nagler's office address. Nguema
16 signed the letter in his own handwriting and faxed his
17 response back to Nagler using John Doe E's fax line in
18 Bata.

19 227. A grant deed was recorded indicating that the seller
20 sold the defendant real property to "Sweetwater Malibu, LLC" on
21 February 27, 2006. However, escrow did not close, and the deed
22 was not recorded, until April 27, 2006.

23 228. Nguema paid a total of \$30,442,000 into escrow
24 account #LGL-226-1234 at First American Title Company, 520 North
25 Central Avenue, Glendale, California 91203, held at First
26 American Trust FSB in Santa Ana, California, for the purchase of
27 the defendant real property. These payments were made as
28 follows on or about the following dates, according to the
records of the PSI.

///
28

1 229. On February 2, 2006, West Coast Escrow, on behalf of
2 Nguema, wire transferred \$900,000 from one of its escrow
3 accounts to First American Title Company's escrow account.
4
5 These funds had come from Nguema's unsuccessful attempt to buy a
6 private jet directly from Gulfstream Aerospace Corporation in
7 2005. When it cancelled the sale, Gulfstream released
8 approximately \$20 million plus interest that it had received as
9 partial payment for the plane to Nguema through a United States
10 law firm. Per Nguema's instructions, the law firm transferred
11 \$900,000 of these funds to West Coast Escrow on December 22,
12 2005, in connection with an earlier attempt by Nguema to
13 purchase the defendant real property. West Coast Escrow, in
14 turn, executed this transfer into the First American Title
15 Company escrow account in California in February 2006.
16
17

18 230. From April 5, 2006 through April 26, 2006, Nguema
19 sent five wire transfers, each in the amount of \$5,908,400, from
20 Equatorial Guinea to the First American Trust escrow account.
21 The funds originated at Société Générale de Banque en Guinée
22 Équatoriale, where Nguema held a personal account. The total
23 amount of these five wire transfers was \$29,542,000. Added to
24 the \$900,000 initial payment into escrow, the total amount paid
25 into escrow was \$30,442,000.
26

27 ///
28

1 231. The total purchase price for the defendant real
2 property was paid in full from funds provided by Nguema.

3 c. Purchase of The Defendant 2011 Ferrari

4
5 232. On or about November 11, 2010, Nguema took delivery
6 of the defendant 2011 Ferrari 599 GTO from Ferrari of Beverly
7 Hills. Nguema caused his forestry company, Somagui, to make
8 initial down payments on his behalf by executing wire transfers
9 of approximately \$25,131, \$39,912, and \$14,929.65 to the account
10 of Ferrari of Beverly Hills at Pacific Western Bank in
11 California in November and December of 2009. On October 21,
12 2010, Nguema faxed a wire transfer request from the Sweetwater
13 property to an E.G. bank, requesting that \$493,010.99 be wired
14 to the Ferrari dealer at Pacific Western Bank. Although the
15 signature line on the document reads "Amadeo Oluy," Nguema
16 signed the document in his own handwriting. In December 2010,
17 \$493,010.99 was paid via wire transfer to Pacific Western Bank.
18 The total recorded purchase price for the vehicle was
19 \$532,984.12. When the Ferrari dealer realized that Nguema had
20 overpaid by \$39,973.13, this money was refunded to Nguema on
21 December 23, 2009, by wiring this amount directly to the Mecafis
22 account at Wells Fargo, as referenced in paragraphs 200-206.
23 The defendant Ferrari was located at the Sweetwater property
24
25
26
27
28

1 when this action was originally filed and is currently in the
2 custody of the United States.

3
4 CONCLUSION

5 233. As set forth above, despite a relatively modest
6 government salary, Nguema has acquired vast personal wealth in
7 excess of one hundred million dollars through corrupt schemes.
8 Nguema also has taken significant steps to conceal the source
9 and ownership of his funds and assets.

10
11 234. On information and belief, the approximately \$32
12 million used by Nguema to purchase the defendant assets was
13 derived from funds obtained through extortion, bribery of a
14 public official and/or the misappropriation, theft, or
15 embezzlement of public funds by or for the benefit of a public
16 official, in violation of the laws of E.G.

17
18 FIRST CLAIM FOR FORFEITURE

19 (18 U.S.C. § 981(a)(1)(C))

20 235. Paragraphs 1-234 above are incorporated by reference
21 as if fully set forth herein.

22
23 236. Pursuant to 18 U.S.C. § 981(a)(1)(C), "[a]ny
24 property, real or personal, which constitutes or is derived from
25 proceeds traceable to . . . any offense constituting 'specified
26 unlawful activity'" is subject to forfeiture to the United
27 States.
28

1 237. "Specified unlawful activity" is defined in 18 U.S.C.
2 § 1956(c)(7)(B)(ii) and (iv) to include, among other things, (i)
3 foreign offenses involving "extortion"; (ii) foreign offenses
4 involving "the misappropriation, theft, or embezzlement of
5 public funds by or for the benefit of a public official"; and
6 (iii) foreign offenses involving bribery of a public official.
7 "Specified unlawful activity" is also defined in 18 U.S.C. §
8 1956(c)(7)(A) as including bank fraud (18 U.S.C. § 1344).
9

10
11 238. As set forth above, the defendant assets constitute
12 property that constitutes or is derived from proceeds traceable
13 to extortion, bribery of a public official, and the
14 misappropriation, theft, or embezzlement of public funds by or
15 for the benefit of a public official, in violation of the laws
16 of E.G., or domestic bank fraud in violation of 18 U.S.C. §
17 1344.
18

19 239. The foreign offenses at issue include violations of
20 the following provisions of the Spanish Penal Code of 1968,
21 which are still the law in E.G.: Article 131 (abuse of public
22 office); Article 196 (expropriation of assets by a public
23 official); Article 198 (taking advantage of official position to
24 exercise a profession directly related to scope of official
25 duties); Article 200 (collection of illegal taxes); Article 202
26 (demanding payment of unauthorized taxes); Article 385
27
28

1 (prohibiting public officials from demanding or accepting
2 bribes to perform a crime); Article 386 (prohibiting public
3 officials from demanding or accepting bribes to perform an
4 unjust act); Article 387 (prohibiting public officials from
5 soliciting improper gifts); Article 390 (prohibiting public
6 officials from receiving improper gifts), Article 394
7 (prohibiting public officials from stealing public funds);
8 Article 396 (prohibiting public officials from embezzling funds
9 under his care); Article 400 (prohibiting public officials from
10 defrauding the state); Article 401 (criminal conflict of
11 interest by a public official); Article 404 (prohibiting public
12 officials from taking part in for-profit transactions within the
13 limits of their jurisdiction); Article 493 (criminal threats);
14 Article 496 (unlawful compulsion); Article 503 (forcibly
15 requiring someone to sign, grant or quit claim a public
16 instrument or document); Article 514 (theft); and Articles 528
17 and 533 (fraud).

21 240. Therefore, the defendant assets are subject to
22 forfeiture to the United States pursuant to 18 U.S.C.
23 § 981(a)(1)(C), on the grounds that they constitute or are
24 derived from proceeds traceable to a specified unlawful
25 activity.

26 ///

SECOND CLAIM FOR FORFEITURE

241. Paragraphs 1-240 above are incorporated by reference as if fully set forth herein.

243. 18 U.S.C. § 1957 imposes a criminal penalty on any person who:

244. For purposes of Section 1957, "Specified unlawful activity" is defined in 18 U.S.C. § 1956(c)(7)(B)(ii) and (iv) to include, among other things, (i) foreign offenses involving "extortion"; (ii) foreign offenses involving "the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official"; and (iii) foreign offenses involving bribery of a public official. "Specified unlawful activity" is also defined in 18 U.S.C. § 1956(c)(7)(A) as including bank fraud (18 U.S.C. § 1344).

1 245. As set forth above, the defendants *in rem* were the
2 subject of, or traceable to, monetary transactions or attempted
3 transactions involving criminally -- derived property of a value
4 greater than \$10,000 and, for the reasons set forth above, the
5 funds involved in those transactions were derived from specified
6 unlawful activity, that is, (i) foreign offenses involving
7 "extortion"; (ii) foreign offenses involving "the
8 misappropriation, theft, or embezzlement of public funds by or
9 for the benefit of a public official"; (iii) foreign offenses
10 involving bribery of a public official; and (iv) bank fraud.
11 The foreign offenses at issue are as set forth in paragraph 239,
12 above.
13
14

15 246. The funds involved in these transactions were used to
16 acquire the defendants *in rem* as well as to provide for the
17 enhancement, decoration, maintenance and upkeep of the defendant
18 *in rem*, including paying for the taxes and insurance fees
19 associated with these assets, the payroll of individuals
20 retained to manage and care for the defendant assets, as well as
21 provide for the general security, preservation and safeguarding
22 of the defendant assets.
23
24

25 247. Therefore, the defendants *in rem* are subject to
26 forfeiture to the United States pursuant to 18 U.S.C. §
27 981(a)(1)(A), on the grounds that they were involved in
28

THIRD CLAIM FOR FORFEITURE

248. Paragraphs 1-247 above are incorporated by reference as if fully set forth herein.

250. 18 U.S.C. § 1956(a)(1) imposes a criminal penalty on any person who:

• • •

(B) knowing that the transaction is designed in whole or in part -

/ / /

///

1 251. For purposes of Section 1956, "Specified unlawful
2 activity" is defined in 18 U.S.C. § 1956(c)(7)(B)(ii) and (iv)
3 to include, among other things, (i) foreign offenses involving
4 "extortion"; (ii) foreign offenses involving "the
5 misappropriation, theft, or embezzlement of public funds by or
6 for the benefit of a public official"; and (iii) foreign
7 offenses involving bribery of a public official. "Specified
8 unlawful activity" is also defined in 18 U.S.C. § 1956(c)(7)(A)
9 as including bank fraud (18 U.S.C. § 1344).
10

11 252. As set forth above, the defendant real property and
12 memorabilia were the subject of, or traceable to, financial
13 transactions or attempted financial transactions and, for the
14 reasons set forth above, the funds involved in those
15 transactions were derived from specified unlawful activity, that
16 is, (i) foreign offenses involving "extortion"; (ii) foreign
17 offenses involving "the misappropriation, theft, or embezzlement
18 of public funds by or for the benefit of a public
19 official"; (iii) foreign offenses involving bribery of a public
20 official; and (iv) bank fraud. The foreign offenses at issue
21 are as set forth in paragraph 239, above.
22

23 253. Also, as set forth above, the transactions were
24 designed in whole or in part to conceal or disguise the source,
25 ownership, or control of the proceeds of specified unlawful
26
27
28

1 activity, in that, among other things, the nominal purchaser of
2 the defendant real property was Sweetwater Malibu, LLC, and the
3 invoices for the defendant memorabilia were in the name of
4 Nguema's assistant or a different name, rather than the name of
5 the true owner, Teodoro Nguema Obiang Mangue.
6

7 254. The funds involved in these transactions were used to
8 acquire the defendants *in rem* as well as to provide for the
9 enhancement, decoration, maintenance and upkeep of these
10 defendants *in rem*, including paying for the taxes and insurance
11 fees associated with these assets, the payroll of individuals
12 retained to manage and care for the defendant assets, as well as
13 provide for the general security, preservation and safeguarding
14 of these defendant properties.
15

16 255. Therefore, the defendant real property and the
17 defendant memorabilia are subject to forfeiture to the United
18 States pursuant to 18 U.S.C. § 981(a)(1)(A), on the grounds that
19 they were involved in transactions or attempted transactions in
20 violation of 18 U.S.C. § 1956(a)(1)(B)(i), or are traceable to
21 such property.
22

23
24 **FOURTH CLAIM FOR FORFEITURE**

25 (18 U.S.C. § 981(a)(1)(A))

26 256. Paragraphs 1-255 above are incorporated by reference
27 as if fully set forth herein.
28

1 257. Pursuant to 18 U.S.C. § 981(a)(1)(A), "[a]ny
2 property, real or personal, involved in a transaction or
3 attempted transaction in violation of [18 U.S.C. § 1956], or any
4 property traceable to such property," is subject to forfeiture
5 to the United States.
6

7 258. 18 U.S.C. § 1956(a)(1) imposes a criminal penalty on
8 any person who:
9

10 knowing that the property involved in a
11 financial transaction represents the
12 proceeds of some form of unlawful
13 activity, conducts or attempts to conduct
14 such a financial transaction which in
15 fact involves the proceeds of specified
16 unlawful activity -
17

18

19 (A)(i) with the intent to promote
20 the carrying on of specific unlawful
21 activity.
22

23 259. For purposes of Section 1956, "specified unlawful
24 activity" is defined in 18 U.S.C. § 1956(c)(7)(A) and 18 U.S.C.
25 1961(1) to include bank fraud (18 U.S.C. § 1344).
26

27 260. As set forth above, the defendant real property was
28 the subject of, or traceable to, financial transactions or
attempted financial transactions and, for the reasons set forth
above, the funds involved in those transactions were derived
from specified unlawful activity, that is, bank fraud.

1 261. Also, as set forth above, the transactions were
2 designed in whole or in part to promote the carrying on of
3 specified unlawful activity (bank fraud).
4

5 262. Therefore, the defendant real property is subject to
6 forfeiture to the United States pursuant to 18 U.S.C.
7 § 981(a)(1)(A), on the grounds that it was involved in
8 transactions or attempted transactions in violation of 18 U.S.C.
9 § 1956(a)(1)(A)(i), or is traceable to such property.
10

11 CLAIM FOR RELIEF

12 WHEREFORE plaintiff, the United States of America, requests
13 that judgment be entered in its favor and against the defendants
14 *in rem*, and that process issue to enforce the forfeiture of the
15 defendants *in rem*, and that all persons having an interest in
16 the defendants *in rem* be cited to appear and show cause why the
17 forfeiture should not be decreed, and that this Court decree
18 forfeiture of the defendants *in rem* to the United States of
19

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

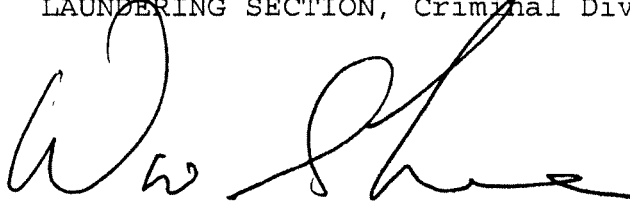
26 ///

27 ///

1 America for disposition according to law, and that this Court
2 grant the United States such further relief as this Court may
3 deem just and proper, together with the costs and disbursements
4 in this action.
5

6
7 DATED: June 11, 2012

JENNIFER SHASKY CALVERY, CHIEF
LINDA M. SAMUEL, Deputy Chief
DANIEL H. CLAMAN, Assistant Deputy
Chief
ASSET FORFEITURE AND MONEY
LAUNDERING SECTION, Criminal Division

11
12
13 

14 WOO S. LEE
STEPHEN GIBBONS
Trial Attorneys
Criminal Division
United States Department of
Justice

18 ANDRÉ BIROTTE, JR.
United States Attorney
19 STEVEN WELK
Assistant United States Attorney

21 Attorneys for Plaintiff
22 UNITED STATES OF AMERICA
23
24
25
26
27
28


VERIFICATION

I, Robert Manzanares, hereby verify and declare under penalty of perjury that I am a Special Agent with Homeland Security Investigations, that I have read the foregoing Second Amended Verified Complaint for Forfeiture *In Rem* and know the contents thereof, and that the matters contained in the Second Amended Verified Complaint are true to the best of my knowledge and belief.

The sources of my knowledge and information and the grounds of my belief are official files and records of the United States, publicly available files and historical information, files and records compiled by the Senate Permanent Subcommittee on Investigations, information supplied to me by other law enforcement officers, experts, and other witnesses, as well as my investigation in this case, together with others, as a Special Agent of Homeland Security Investigations.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 11 day of June, 2012, at 2:50 pm.



ROBERT MANZANARES
Special Agent
Homeland Security Investigations
U.S. Department of Homeland Security

ATTACHMENT A-1:

ICONS AND IDOLS

Lot No.	Description	Price
586	MICHAEL JACKSON BAD TOUR GLOVE	275,000.00
573	"WE ARE THE WORLD" MTV VIDEO MUSIC AWARD	60,000.00
585	MICHAEL JACKSON STAGE WORN FEDORA	60,000.00
621	MICHAEL JACKSON STAGE WORN FEDORA	60,000.00
553	MICHAEL JACKSON SIGNED FEDORA	42,500.00
549	MICHAEL JACKSON SIGNED THRILLER JACKET	40,000.00
650B	M.J. STAGE WORN SIGNED GOLD FENCING SHIRT	30,000.00
606	MICHAEL JACKSON WORN FEDORA	25,000.00
556	MICHAEL JACKSON "GOLD" RECORD AWARD	10,000.00
576	"WE ARE THE WORLD" SIGNED DOCUMENT ARCHIVE	10,000.00
575	"WE ARE THE WORLD" SIGNED ALBUM	8,000.00
650	M.J. NEVERLAND RANCH GOLD & COUNTRY BY	7,000.00
580	MICHAEL JACKSON SIGNED SHEET MUSIC	6,500.00
617	MICHAEL JACKSON SIGNED PHOTOGRAPH	5,250.00
624	MICHAEL JACKSON KATHERINE BAUMANN BAG	5,000.00
557	MICHAEL JACKSON "THRILLER" RECORD AWARD	4,500.00
589	MICHAEL JACKSON SIGNED BAD ERA POSTER	4,000.00
635a	M. JACKSON AND TROY AIKMAN SIGNED FOOTBALL	4,000.00
579	MICHAEL JACKSON "PLATINUM" RECORD AWARD	3,500.00
588	MICHAEL JACKSON SIGNED PHOTO	3,250.00
558	M. JACKSON SIGNED "THRILLER" 12-INCH SINGLE	3,000.00
584	M. JACKSON AND PAUL MCCARTNEY SIGNED BAG	3,000.00
540	JACKSON 5 "GOLD" SINGLE AWARD	2,500.00
614	MICHAEL JACKSON SIGNED BANNER	2,400.00
616	MICHAEL JACKSON SIGNED POSTER	2,400.00
550	M. JACKSON SIGNED PHOTOGRAPH FROM DISNEYLAND	2,250.00
647	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE O	2,250.00
645	M. JACKSON NEVERLAND RANCH LIFE SIZED SEATED	2,000.00
646	M. JACKSON NEVERLAND RANCH LIFE SIZE INDIAN F	2,000.00
648	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE Y	2,000.00
539	JACKSON 5 "GOLD" RECORD AWARD	1,500.00
650C	M. JACKSON SIGNED "LIVE AND DANGEROUS" BOOK	1,500.00
555	M. JACKSON "THRILLER" COMMEMORATIVE STATUE	1,400.00
623	M. JACKSON KATHARINE BAUMANN FOOTBALL BAG	1,400.00
610	M. JACKSON SIGNED HISTORY MAGAZINE CUTOUT	1,300.00
643	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE O	1,300.00
642	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE O	700.00
644	M. JACKSON NEVERLAND RANCH LIFE SIZE WESTERN	700.00
603	MICHAEL JACKSON STATUETTE	600.00
	SUBTOTAL	697,700.00
	PLUS 25% BUYER'S PREMIUM	174,425.00
	TOTAL	872,125.00

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107

ATTACHMENT A-2:

ROCK N ROLL

Lot No.	Description	Price
180	MICHAEL JACKSON'S PERSONAL MTV MOONMAN	50,000.00
	PLUS 20% BUYER'S PREMIUM	<u>10,000.00</u>
	TOTAL	60,000.00
152	M. JACKSON "GOLD" RECORD AWARD FOR "BEAT IT"	10,000.00
139	JACKSON 5 "GOLD" RECORD AWARD	6,500.00
164	M. JACKSON ARTIST OF THE DECADE LIMITED EDITION	6,500.00
148	MICHAEL JACKSON SIGNED THRILLER DISPLAY	6,000.00
153	MICHAEL JACKSON THRILLER RECORD AWARD	4,500.00
154	MICHAEL JACKSON THRILLER DISPLAY	4,500.00
147	M. JACKSON THRILLER COMMEMORATIVE AWARD	3,000.00
186	M. JACKSON CARLITTA COLLECTION FIGURINES	1,600.00
185	M. JACKSON PORCELAIN HISTORY FIGURINE	600.00
183	M. JACKSON CARLITTA COLLECTION FIGURINE	400.00
184	MICHAEL JACKSON WHITE HISTORY FIGURINE	<u>400.00</u>
	SUBTOTAL	44,000.00
	PLUS 25% BUYER'S PREMIUM	<u>11,000.00</u>
	TOTAL	55,000.00
	GRAND TOTAL	115,000.00

42
108

ATTACHMENT A-3

Lot #	Item	Price	
565	MICHAEL JACKSON "SCREAM" SHIRT	60,000.00	
606	MICHAEL JACKSON WIG	60,000.00	
467	MICHAEL JACKSON MOTOWN PERF. SHIRT	51,000.00	
	20% BUYER'S PREMIUM	34,200.00	
	TOTAL		205,200.00
585	MICHAEL JACKSON MILITARY STYLE JACKET	25,000.00	
481	MICHAEL JACKSON "PLATINUM" RECORD AWD	16,000.00	
479	MICHAEL JACKSON "GOLD" RECORD AWARD	15,000.00	
525	MICHAEL JACKSON IN-HOUSE RECORD AWARD	9,500.00	
509	MICHAEL JACKSON "GOLD" RECORD AWARD	8,500.00	
484	MICHAEL JACKSON SIGNED THRILLER NOTE	7,250.00	
446	EPIC PRESENTATION AWARD	6,500.00	
458	EMMY AWARD FOR THE JACKSONS: AMER DRM	6,500.00	
486	M. JACKSON SIGNED PRESENTATION AWARD	6,000.00	
488	MICHAEL JACKSON "GOLD" RECORD AWARD	5,000.00	
444	MICHAEL JACKSON PLATINUM RECORD AWARD	4,500.00	
469	M. JACKSON & P. MCCARTNEY SIGNED PHOTO	4,500.00	
474	MICHAEL JACKSON LIFE MASK	4,500.00	
592	RIAA "PLATINUM" RECORD AWARD	4,500.00	
490	MICHAEL JACKSON IN-HOUSE RECORD AWARD	4,250.00	
405	MOTOWN PRESENTATION RECORD	3,500.00	
443	MICHAEL JACKSON "GOLD" RECORD AWARD	3,250.00	
449	THE JACKSONS "PLATINUM" RECORD AWARD	2,750.00	
569	MICHAEL JACKSON PORCELAIN STATUETTE	1,600.00	
403	MOTOWN RECORD AWARD	1,000.00	
	SUBTOTAL	139,600.00	
	25% BUYER'S PREMIUM	34,900.00	
	TOTAL		174,500.00
	GRAND TOTAL		379,700.00

43
109

LEGAL DESCRIPTION

Real property in the City of Malibu, County of Los Angeles, State of California, described as follows:

PARCEL 1:

A PARCEL OF LAND BEING A PORTION OF RANCHO TOPANGA MALIBU SEQUIT, AS CONFIRMED TO MATTHEW KELLER BY PATENT RECORDED IN BOOK 1 PAGE 407, ET SEQ., OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS, SAID POINT OF BEGINNING BEING NORTH 46° 08' 15" WEST 60 FEET FROM ENGINEER'S CENTER LINE STATION 936 PLUS 62.94 AT THE WESTERLY EXTREMITY OF THAT CERTAIN CENTER LINE COURSE DESCRIBED AS NORTH 43° 51' 45" EAST 362.63 FEET IN THE DEED OF THE 80 FOOT STRIP OF LAND FROM T. R. CADWALADER, ET AL., TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 15228 PAGE 342, OFFICIAL RECORDS; THENCE NORTH 43° 51' 45" EAST 189.63 FEET ALONG THE NORTHERLY LINE OF SAID FIRST MENTIONED STRIP; THENCE NORTH 46° 08' 15" WEST 192.92 FEET; THENCE NORTH 31° 32' 55" EAST 214.93 FEET; THENCE NORTH 42° 01' 59" EAST 186.06 FEET; THENCE NORTH 54° 23' 15" EAST 77.65 FEET, MORE OR LESS, TO THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO CHESTER A. VOUGHT AND WIFE RECORDED IN BOOK 20254 PAGE 69, OFFICIAL RECORDS; THENCE NORTH 53° 17' 55" EAST 152.26 FEET ALONG THE NORTHERLY LINE OF SAID PARCEL TO THE NORTHEASTERLY CORNER THEREOF; THENCE NORTH 32° 19' 55" WEST 119.27 FEET; THENCE NORTH 46° 58' 55" EAST 28.96 FEET; THENCE 50° 59' 55" WEST 161.73 FEET; THENCE NORTH 62° 09' 00" WEST 123.16 FEET; THENCE SOUTH 60° 48' 00" WEST 21.76 FEET; THENCE SOUTH 29° 12' EAST 75 FEET; THENCE SOUTH 60° 48' WEST 183.01 FEET; THENCE SOUTH 45° 17' 30" WEST 139.76 FEET; THENCE SOUTH 62° 12' 40" WEST 258.81 FEET; THENCE NORTH 44° 07' 06" WEST 158.98 FEET TO THE CENTER LINE DESCRIBED IN THE DEED TO SANGER W. CRUMPACKER ET AL., RECORDED JANUARY 22, 1944 AS INSTRUMENT NO. 973 IN BOOK 20517 PAGE 382, OFFICIAL RECORDS; THENCE ALONG SAID CENTER LINE AS TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 183.32 FEET SOUTHWESTERLY ALONG THE ARC OF SAID CURVE 171.24 FEET, TANGENT SOUTH 01° 48' 25" WEST 256.65 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE EASTERLY WITH A RADIUS OF 253.04 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE 79.24 FEET; TANGENT SOUTH 17° 30' 35"; THENCE EAST 104.43 FEET, SOUTH 27° 05' 15" EAST 386.93 FEET AND SOUTH 20° 53' 35" EAST 25.83 FEET, MORE OR LESS, TO A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS, SAID LAST MENTIONED POINT BEING ON THE ARC OF A CURVE CONCAVE NORTHWESTERLY WITH A RADIUS OF 1450 FEET AND THE RADIAL BEARING TO SAID POINT BEING SOUTH 22° 47' 36" EAST; THENCE EASTERLY ALONG THE ARC OF SAID CURVE 590.71 FEET; THENCE TANGENT NORTH 43° 51' 45" EAST 12.21 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL RIPARIAN RIGHTS OF SAID LANDS AND ALL MINERALS, OIL, PETROLEUM, ASPHALTUM, GAS, COAL AND OTHER HYDROCARBON SUBSTANCES IN, ON, WITHIN AND UNDER SAID LANDS BUT WITHOUT SURFACE RIGHT TO GO UPON SAID LANDS TO EXTRACT SAID SUBSTANCES AS CONTAINED IN DEED FROM MARBLEHEAD LAND COMPANY, A

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Attachment B

110

CORPORATION RECORDED FEBRUARY 14, 1944 IN BOOK 20657 PAGE 140, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND CONVEYED TO THE STATE OF CALIFORNIA BY A DEED RECORDED NOVEMBER 16, 1948 AS INSTRUMENT NO. 2085 IN BOOK 28732 PAGE 310, OFFICIAL RECORDS.

PARCEL 2:

A PARCEL OF LAND BEING A RANCHO TOPANGA MALIBU SEQUIT, AS CONFIRMED TO MATTHEW KELLER BY PATENT RECORDED IN BOOK 1 PAGE 407 ET SEQ., OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS AT THE NORTHEASTERLY EXTREMITY OF THE COURSE DESCRIBED AS "NORTH 43° 51' 45" EAST 189.63 FEET" IN THE DEED TO THE MYLES EDWARD CONNOLLY AND WIFE RECORDED IN BOOK 20657 PAGE 146, OFFICIAL RECORDS; THENCE ALONG THE BOUNDARY OF THE LAND DESCRIBED IN SAID DEED TO CONNOLLY AND WIFE; NORTH 46° 00' 15" WEST 192.92 FEET AND NORTH 31° 32' 55" EAST 193.51 FEET; THENCE SOUTH 45° 44' 11" EAST 234.25 FEET TO A POINT IN THE NORTHWESTERLY LINE BEING A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 2060 FEET, THE RADIAL BEARING TO SAID POINT BEING NORTH 45° 44' 11" WEST; THENCE ALONG SAID NORTHWESTERLY LINE SOUTHWESTERLY ALONG SAID CURVE 14.42 FEET AND SOUTH 43° 51' 45" WEST 173.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, PETROLEUM, ASPHALTUM, GAS, COAL AND OTHER HYDROCARBON SUBSTANCES IN, ON, WITHIN AND UNDER SAID LANDS AND EVERY PART THEREOF BUT WITHOUT RIGHT OF ENTRY, AS RESERVED BY MARBLEHEAD LAND COMPANY IN DEED RECORDED OCTOBER 17, 1944 IN BOOK 21321 PAGE 347, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND CONVEYED TO THE STATE OF CALIFORNIA, BY DEED RECORDED NOVEMBER 16, 1948 AS INSTRUMENT NO. 2085 IN BOOK 28732 PAGE 310, OFFICIAL RECORDS.

PARCEL 3:

A. AN EASEMENT FOR ROAD PURPOSES TO BE USED IN COMMON WITH OTHERS OVER A STRIP OF LAND 40 FEET IN WIDTH, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY EXTREMITY OF THE COURSE DESCRIBED AS NORTH 62° 09' 00" WEST 123.16 FEET IN THE DESCRIPTION OF THE PARCEL HEREIN CONVEYED; THENCE NORTH 62° 09' 00" WEST 123.16 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 229.33 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE 262.44 FEET; THENCE TANGENT NORTH 03° 25' 05" EAST 36.35 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE WESTERLY WITH A RADIUS OF 136.48 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE 129.36 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHERLY WITH A RADIUS OF 91.02 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE 138.63 FEET; THENCE TANGENT SOUTH 41° 50' 55" WEST 114.41 FEET, MORE OR LESS TO A POINT IN THE CENTER LINE OF THE EASEMENT FOR ROAD AND HIGHWAY PURPOSES 50 FEET IN WIDTH DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO SANGER W. CRUMPACKER ET AL., RECORDED JANUARY 22, 1944 IN BOOK 20517 PAGE 382, OFFICIAL RECORDS, SAID LAST MENTIONED POINT BEING NORTH 20° 32' 35" EAST 124.79 FEET FROM THE SOUTHWESTERLY EXTREMITY OF THAT

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CERTAIN COURSE DESCRIBED IN SAID DEED AS NORTH 20° 32' 35" EAST 158.00 FEET.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LINE OF PARCEL 1.

B. AN EASEMENT FOR ROAD PURPOSES TO BE USED IN COMMON WITH OTHERS OVER A STRIP OF LAND 50 FEET IN WIDTH LYING 25 FEET ON EACH SIDE OF A CENTER LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTER LINE DESCRIBED IN THE DEED TO SANGER W. CRUMPACKER ET AL., RECORDED JANUARY 22, 1944 IN BOOK 20517 PAGE 382, OFFICIAL RECORDS DISTANT THEREON NORTH 20° 32' 35" EAST 124.79 FEET FROM THE SOUTHWESTERLY TERMINUS OF THAT COURSE DESCRIBED IN SAID DEED AS NORTH 20° 32' 35" EAST 158.00 FEET; THENCE SOUTH 26° 32' 35" WEST 124.79 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 206.84 FEET; THENCE ALONG SAID CURVE AND SAID CENTER LINE SOUTHERLY 130.93 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 178.67 FEET; THENCE SOUTHERLY ALONG SAID CURVE AND CENTER LINE 136.89 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 487.46 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE 221.52 FEET TO THE NORTHWESTERLY TERMINUS OF THE COURSE IN THE BOUNDARY OF THE LAND ABOVE DESCRIBED AS NORTH 44° 07' 06" WEST 158.98 FEET; THENCE ALONG SAID BOUNDARY AS FOLLOWS:

SOUTH 55° 19' 33" WEST 229.74 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 183.32 FEET SOUTHWESTERLY ALONG THE ARC OF SAID CURVE 171.24 FEET TANGENT SOUTH 01° 48' 25" WEST 256.55 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 235.04 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE 79.24 FEET TANGENT SOUTH 17° 30' 35" EAST 104.43 FEET, SOUTH 27° 05' 15" EAST 386.93 FEET AND SOUTH 20° 53' 35" EAST 25.83 FEET, MORE OR LESS, TO A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LINES OF PARCEL 1.

APN: 4452-017-009 and 4452-019-001

04/27/86

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112

ATTACHEMENT C

Penal Code of Equatorial Guinea

Article 131

Any public official who, abusing his position, compromises the dignity or the interests of the Spanish Nation in a manner not included in this chapter shall be punished with long-term imprisonment and debarment.

Article 196.

Any public official who expropriates the property of a national or foreigner, outside of the permitted cases and without meeting the legal requirements, shall incur the penalties of suspension and a fine of 5,000 to 25,000 pesetas.

Article 198

Any Authority or public official who, taking advantage of his position, practices any profession directly related to the sphere of his official authority or involves himself directly or indirectly in private associations or companies with the intent to profit, shall incur debarment and a fine of 5,000 to 250,000 pesetas.

Article 200

Any Minister who orders payment of a tax not authorized by law shall be punished with permanent debarment and a fine of 10,000 to 500,000 pesetas.

Article 202

Any public officials who demand, from State, Provincial, or Municipal taxpayers, the payment of taxes not authorized by the respective laws or Councils shall incur the penalties of suspension and a fine of 5,000 to 50,000 pesetas. If such exaction took effect, the maximum of the penalties herein provided shall be imposed. If compulsion or another means of coercion is used, the penalties shall be permanent debarment and the fine herein provided.

Article 385

Any public official who solicits or receives, on his own or through an intermediary, a gift or contribution, or accepts an offer or promise in exchange for carrying out an act which is related to the duties of his position and which constitutes a crime, shall be punished with short-term imprisonment and a fine equal to or up to three times the value of the gift, without prejudice to the penalty for the crime committed in connection with the gift or promise.

Article 386

Any public official who solicits or receives, on his own or through an intermediary, a gift or contribution, or accepts an offer or promise in exchange for carrying out an unjust act which is related to the duties of his position and which does not constitute a crime, and who carries out such act, shall incur the penalty of short-term imprisonment and a fine of equal to or up to three times the value of the gift; if the unjust act is not carried out, the penalties of brief imprisonment and a fine of equal to or up to two times the value of the gift shall be imposed.

Article 387

When the gift is solicited, received, or promised with the intent that the public official refrain from an act which he should carry out in the discharge of his duties, the penalties shall be brief imprisonment and a fine of equal to or up to three times the value of such gift.

Article 390

Any public official who accepts gifts that may be presented to him in the normal course of duties for his office, or in order to secure a just act that should not be compensated, shall be punished with suspension and a fine of 5,000 to 25,000 pesetas.

Article 394

Any public official who steals or consents to the stealing by another person of the public funds or property that may be under his control or at his disposal by virtue of his duties shall be punished:

1st With the penalty of brief imprisonment if the theft does not exceed 2,500 pesetas.

2nd With the penalty of short-term imprisonment if the theft exceeds 2,500 pesetas and is not greater than 50,000 pesetas.

3rd With the penalty of long-term imprisonment if the theft exceeds 50,000 pesetas and is not greater than 250,000 pesetas.

4th With the penalty of long-term imprisonment if the theft exceeds 250,000 pesetas.

The Court shall impose the penalty it deems appropriate of those provided in the preceding numbers if, in its judgment, theft occurred, and the amount thereof is not proven. In all cases, the penalty of permanent debarment shall be imposed additionally.

Article 400

Any public official who, in the normal course of duties for his position, on a committee related to supplies, contracts, adjustments, or liquidations of public property or assets, acts in concert with the interested parties or speculators, or uses any other artifice to defraud the State, Provinces, or Municipality, shall incur the penalties of short-term imprisonment and debarment.

Article 401

Any public official who, directly or indirectly, holds an interest in any type of contract or operation in which he must be involved by reason of his position shall be punished with the penalties of debarment and a fine equal to or up to three times the interest he held in the arrangement. This provision is applicable to experts, arbiters, and private accountants, in respect of the property or things in the appraisal, partition, or awarding of which they took part, and to guardians or executors in respect of the property or things belonging to their wards or decedents' estates.

Article 404

Any Judges, officials from the Office of the Attorney General, military Commanders, or government or economic Leaders, except Mayors, who during the discharge of their duties take part directly or indirectly in speculative, trading, or for-profit transactions, within the limits of their jurisdiction or command, involving objects that are not the product of their own property, shall be punished with suspension and a fine of 5,000 to 25,000 pesetas. This provision does not apply to those who invest their funds in shares of a Bank or of any enterprise or company, as long as they do not hold a position or have direct, administrative, or economic involvement therein.

Article 493

Anyone who threatens to cause felonious physical or moral harm or property damage to another individual or his family shall be punished:

1st By a misdemeanor prison term if the threat was made by demanding payment of a sum or imposing any other condition, even if not illegal, and the guilty party was able to achieve his end; and by a period of brief imprisonment if the end was not achieved. The maximum punishment shall be imposed if the threats were made in writing or in the name of real or fictitious entities.

2nd By a period of brief imprisonment and a fine of 5,000 to 25,000 pesetas if the threat was not conditional.

Article 496

Anyone who, without being legally authorized to do so, and through violent means, prevents another from doing anything that the Law does not prohibit, or forces him to do something he does not want to do, whether fairly or unfairly, shall be punished by brief imprisonment and a fine of 5,000 to 50,000 pesetas.

Article 503

Anyone who, through violence or intimidation, and in order to defraud another individual, forces him to sign, grant or quit claim a public instrument or another document shall be punished, as guilty of theft, by the penalty indicated in this chapter.

Article 528

Any person who defrauds another in regard to the substance, quantity, or quality of the things he delivers to such person pursuant to an obligation shall be punished:

1st With the penalty of long-term imprisonment if the fraud exceeds 100,000 pesetas.

2nd With the penalty of short-term imprisonment if it exceeds 25,000 pesetas and is not greater than 100,000 pesetas.

3rd With the penalty of brief imprisonment if the fraud exceeds 2,500 pesetas and is not greater than 25,000 pesetas.

4th With the penalty of brief imprisonment if the fraud does not exceed 2,500 pesetas and the defendant previously was convicted of the offense of robbery, larceny, fraud, misappropriation, check floating, or concealment, or tried two times for misdemeanor offenses of larceny, fraud, or misappropriation. Worded in accordance with Law 3/1967, of 8 April.

Article 533

Any person who defrauds or adversely affects another using any deception not provided for in the preceding articles of this section shall be punished with a fine equal to or up to two times the harm he may have caused, but which shall be not less than 5,000 pesetas, and in the case of subsequent violations, with the same fine and brief imprisonment.

1 PROOF OF SERVICE BY MAILING

2 I am over the age of 18 and not a party to the within action. I
3 am employed by the Office of the United States Attorney, Central
4 District of California. My business address is 312 North Spring
5 Street, 14th Floor, Los Angeles, California 90012.

6 On June 11, 2012, I served a SECOND AMENDED VERIFIED
7 COMPLAINT FOR FORFEITURE IN REM on each person or entity named
8 below by enclosing a copy in an envelope addressed as shown
9 below and placing the envelope for collection and mailing on the
10 date and at the place shown below following our ordinary office
11 practices.

12 **TO: See Attached Service List**

13 X I am readily familiar with the practice of this office for
14 collection and processing correspondence for mailing. On the
15 same day that correspondence is placed for collection and
16 mailing, it is deposited in the ordinary course of business with
17 the United States Postal Service in a sealed envelope with
18 postage fully prepaid.

19 I declare under penalty of perjury under the laws of the
20 United States of America that the foregoing is true and correct.

21 I declare that I am employed in the office of a member of
22 the bar of this court at whose direction the service was made.

23 Executed on: June 11, 2012 at Los Angeles, California.

24
25 
26 **TINA KELESHYAN**
27
28

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